

# Speeches of Obama

*A selection of speeches by  
President Barack Obama*

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# Contents

Statement by the President on the Afghanistan-Pakistan Review	5
Remarks by the President on Tax Cuts and CEOs Meeting	10
Remarks by the President and First Lady at the Signing of the Healthy, Hunger-Free Kids Act	13
Remarks by the President in Meeting with the President's Export Council	21
Remarks by President Obama and President Komorowski of Poland after Bilateral Meeting	27
Statement by the President on Tax Cuts and Unemployment Benefits	35
Remarks by the President on the Economy in Winston-Salem, North Carolina	40
Remarks by the President to the Troops at Bagram Air Base	54
Remarks by the President and General Colin Powell After Meeting	62
Statement by the President after Meeting with Bipartisan Leadership	68
Remarks by the President on the Federal Employee Pay Freeze	72
Remarks by the President and Vice President to Chrysler Plant Workers in Kokomo, Indiana	76
Press Conference of the President after NATO Summit	87
Remarks by the President in Presenting National Medals of Science and National Medals of Technology and Innovation	104
Press Conference by the President After G20 Meetings in Seoul, Korea	112
Remarks by the President at the University of Indonesia in Jakarta, Indonesia	130
Remarks by the President After a Cabinet Meeting	141
Remarks by the President at a DNC Event in Philadelphia, Pennsylvania	145
Remarks by the President at DCCC General Reception	149



# Statement by the President on the Afghanistan-Pakistan Annual Review

**James S. Brady Press Briefing Room**

11:50 A.M EST

THE PRESIDENT: Good morning, everybody. When I announced our new strategy for Afghanistan and Pakistan last December, I directed my national security team to regularly assess our efforts and to review our progress after one year. That's what we've done consistently over the course of the past 12 months — in weekly updates from the field, in monthly meetings with my national security team, and in my frequent consultations with our Afghan, Pakistani and coalition partners. And that's what we've done as part of our annual review, which is now complete.

I want to thank Secretary Clinton and Secretary Gates for their leadership. Since Joint Chief of Staff Chairman, Admiral Mullen, is in Afghanistan, I'm pleased that we're joined by Vice Chairman, General Cartwright.

Our efforts also reflect the dedication of Ambassador Richard Holbrooke, whose memory we honor and whose work we'll continue. Indeed, the tributes to Richard that have poured in from around the globe speak to both the enormous impact of his life and to the broad international commitment to our shared efforts in this critical region.

I have spoken with President Karzai of Afghanistan as well as President Zardari of Pakistan and discussed our findings and the way

forward together. Today, I want to update the American people on our review — our assessment of where we stand and areas where we need to do better. I want to be clear. This continues to be a very difficult endeavor. But I can report that thanks to the extraordinary service of our troops and civilians on the ground, we are on track to achieve our goals.

It's important to remember why we remain in Afghanistan. It was Afghanistan where al Qaeda plotted the 9/11 attacks that murdered 3,000 innocent people. It is the tribal regions along the Afghan-Pakistan border from which terrorists have launched more attacks against our homeland and our allies. And if an even wider insurgency were to engulf Afghanistan, that would give al Qaeda even more space to plan these attacks.

And that's why, from the start, I've been very clear about our core goal. It's not to defeat every last threat to the security of Afghanistan, because, ultimately, it is Afghans who must secure their country. And it's not nation-building, because it is Afghans who must build their nation. Rather, we are focused on disrupting, dismantling and defeating al Qaeda in Afghanistan and Pakistan, and preventing its capacity to threaten America and our allies in the future.

In pursuit of our core goal we are seeing significant progress. Today, al Qaeda's senior leadership in the border region of Afghanistan and Pakistan is under more pressure than at any point since they fled Afghanistan nine years ago. Senior leaders have been killed. It's harder for them to recruit; it's harder for them to travel; it's harder for them to train; it's harder for them to plot and launch attacks. In short, al Qaeda is hunkered down. It will take time to ultimately defeat al Qaeda, and it remains a ruthless and resilient enemy bent on attacking our country. But make no mistake—we are going to remain relentless in disrupting and dismantling that terrorist organization.

In Afghanistan, we remain focused on the three areas of our strategy: our military effort to break the Taliban's momentum and train Afghan forces so they can take the lead; our civilian effort to promote effective governance and development; and regional cooperation,

especially with Pakistan, because our strategy has to succeed on both sides of the border.

Indeed, for the first time in years, we've put in place the strategy and the resources that our efforts in Afghanistan demand. And because we've ended our combat mission in Iraq, and brought home nearly 100,000 of our troops from Iraq, we're in a better position to give our forces in Afghanistan the support and equipment they need to achieve their missions. And our drawdown in Iraq also means that today there are tens of thousands fewer Americans deployed in harm's way than when I took office.

With those additional forces in Afghanistan, we are making considerable gains toward our military objectives. The additional military and civilian personnel that I ordered in Afghanistan are now in place, along with additional forces from our coalition, which has grown to 49 nations. Along with our Afghan partners, we've gone on the offensive, targeting the Taliban and its leaders and pushing them out of their strongholds.

As I said when I visited our troops in Afghanistan earlier this month, progress comes slowly and at a very high price in the lives of our men and women in uniform. In many places, the gains we've made are still fragile and reversible. But there is no question we are clearing more areas from Taliban control and more Afghans are reclaiming their communities.

To ensure Afghans can take responsibility, we continue to focus on training. Targets for the growth of Afghan security forces are being met. And because of the contributions of additional trainers from our coalition partners, I'm confident we will continue to meet our goals.

I would add that much of this progress — the speed with which our troops deployed this year, the increase in recruits—in recruiting and training of Afghan forces, and the additional troops and trainers from other nations — much of this is the result of us having sent a clear signal that we will begin the transition of responsibility to Afghans and start reducing American forces next July.

This sense of urgency also helped galvanize the coalition around the goals that we agreed to at the recent NATO summit in Lisbon

— that we are moving toward a new phase in Afghanistan, a transition to full Afghan lead for security that will begin early next year and will conclude in 2014, even as NATO maintains a long-term commitment to training and advising Afghan forces. Now, our review confirms, however, that for these security gains to be sustained over time, there is an urgent need for political and economic progress in Afghanistan.

Over the past year, we've dramatically increased our civilian presence, with more diplomats and development experts working alongside our troops, risking their lives and partnering with Afghans. Going forward, there must be a continued focus on the delivery of basic services, as well as transparency and accountability. We will also fully support an Afghan political process that includes reconciliation with those Taliban who break ties with al Qaeda, renounce violence and accept the Afghan constitution. And we will forge a new strategic partnership with Afghanistan next year, so that we make it clear that the United States is committed to the long-term security and development of the Afghan people.

Finally, we will continue to focus on our relationship with Pakistan. Increasingly, the Pakistani government recognizes that terrorist networks in its border regions are a threat to all our countries, especially Pakistan. We've welcomed major Pakistani offensives in the tribal regions. We will continue to help strengthen Pakistanis' capacity to root out terrorists. Nevertheless, progress has not come fast enough. So we will continue to insist to Pakistani leaders that terrorist safe havens within their borders must be dealt with.

At the same time, we need to support the economic and political development that is critical to Pakistan's future. As part of our strategic dialogue with Pakistan, we will work to deepen trust and cooperation. We'll speed up our investment in civilian institutions and projects that improve the lives of Pakistanis. We'll intensify our efforts to encourage closer cooperation between Pakistan and Afghanistan.

And, next year, I look forward to an exchange of visits, including my visit to Pakistan, because the United States is committed to an

enduring partnership that helps deliver improved security, development, and justice for the Pakistani people.

Again, none of these challenges that I've outlined will be easy. There are more difficult days ahead. But as a nation, we can draw strength from the service of our fellow Americans.

On my recent visit to Afghanistan, I visited a medical unit and pinned Purple Hearts on some of our wounded warriors. I met with a platoon that had just lost six of their teammates. Despite the tough fight, despite all their sacrifice, they continue to stand up for our security and for our values that we hold so dear.

We're going to have to continue to stand up. We'll continue to give our brave troops and civilians the strategy and resources they need to succeed. We will never waver from our goal of disrupting, dismantling, and ultimately defeating al Qaeda. We will forge enduring partnerships with people who are committed to progress and to peace. And we will continue to do everything in our power to ensure the security and the safety of the American people.

So, with that, Vice President Biden and myself will depart, and I'm going to turn it over to Secretaries Clinton, Gates, as well as Vice Chairman Cartwright, and they will be able to answer your questions and give you a more detailed briefing.

Thank you very much.

# Remarks by the President on Tax Cuts and CEOs Meeting

**Eisenhower Executive Office Building, Room 430**

9:23 A.M. EST

THE PRESIDENT: Good morning, everybody. Today, the Senate is poised to pass tax cuts and unemployment insurance, putting the House of Representatives in the position to send me this critical economic package so I can sign it into law.

I am absolutely convinced that this tax cut plan, while not perfect, will help grow our economy and create jobs in the private sector. It will help lift up middle-class families, who will no longer need to worry about a New Year's Day tax hike. It will offer emergency relief to help tide folks over until they find another job. And it includes tax cuts to make college more affordable; help parents provide for their children; and help businesses, large and small, expand and hire.

I know there are different aspects of this plan to which members of Congress on both sides of the aisle object. That's the nature of compromise. But we worked hard to negotiate an agreement that's a win for middle-class families and a win for our economy, and we can't afford to let it fall victim to either delay or defeat. So I urge members of Congress to pass these tax cuts as swiftly as possible. Getting that done is an essential ingredient in spurring economic growth over the short run. And spurring economic growth is what I'll talk about later this morning when I meet with some of America's top business leaders. That includes Jim McNerney of Boeing, who also

heads up my Export Council, and several members of my Economic Recovery Advisory Board. This is one of many discussions we'll be having in the months ahead to find new ways to spur hiring, put Americans back to work and move our economy forward.

As I said when I was running for President and as I've said since, I believe that the primary engine of America's economic success is not government. It's the ingenuity of America's entrepreneurs. It's the dynamism of our markets. And for me, the most important question about an economic idea is not whether it's good short-term politics or meets somebody's litmus test. It's whether it will help spur businesses, jobs and growth.

That's why I've set a goal of doubling U.S. exports in the next five years—to create more jobs selling more products abroad. That's why I'm so pleased that earlier this month, after intensive negotiations, we finalized a trade agreement with our ally South Korea that will boost the annual exports of American goods by \$11 billion—a deal that, all told, will support at least 70,000 American jobs. It's an agreement that's won support from business and labor because it's good for the economy.

This morning, I hope to elicit ideas from these business leaders that will help us not only climb out of recession, but seize the promise of this moment — ideas about tax reform; ideas about a balanced approach to regulation that will promote, rather than undermine, growth; ideas that will help encourage businesses to invest in America and American jobs at a time when they're holding nearly \$2 trillion on their books. I want to discuss our shared mission of building a strong economy for the long run.

We know some of what we need to do to out-compete other countries in the 21st century. We need to offer our children the best education in the world. We need to spur innovation and new industries like clean energy that will create the jobs of tomorrow. We need to upgrade America's crumbling infrastructure, its roads and bridges, update high-speed rail and high-speed Internet to connect every community. And we need to redouble our commitment to fiscal discipline and address our long-term deficit challenges.

We know the path that will lead to economic success. The only question is whether we will take it, whether we have the political will to do the work. I'm committed to taking that path. I know America's business leaders are as well. And I look forward to talking to them this morning and working with them in the months and years to come to make sure that we're adopting the best ideas for growing our economy and making the 21st century another great American Century.

Thank you very much, everybody.

# Remarks by the President and First Lady at the Signing of the Healthy, Hunger-Free Kids Act

**Harriet Tubman Elementary School, Washington, D.C.**

10:33 A.M. EST

THE PRESIDENT: Hello, hello, hello! (Applause.) Thank you. Thank you very much. Thank you so much. Thank you, everybody. Please, please have a seat.

Good morning, everybody.

AUDIENCE: Good morning.

THE PRESIDENT: Well, I want to thank all the students and faculty and staff here at Tubman Elementary for hosting us today at your beautiful school. And we want to thank Principal Harry Hughes for doing outstanding work here. Thank you—give them all a big round of applause. (Applause.)

We are thrilled to be here with all of you as I sign the Healthy, Hungry-Free Kids Act—a bill that’s vitally important to the health and welfare of our kids and to our country. But before I do this, I just want to acknowledge a few of the folks who are here, as well as a few who are not here but who played a hugely important role in getting this legislation passed.

On the stage we have Madam Speaker, Nancy Pelosi. (Applause.) Two outstanding senators, Blanche Lincoln and Tom Harkin, who

worked so hard to get this done. (Applause.) Members of the House of Representatives Miller, DeLauro and Platts who all worked so hard to make this happen. (Applause.) We're grateful to you. And three of my outstanding members of my Cabinet who worked tirelessly on this issue, Secretary of Agriculture Tom Vilsack—it happens to be his birthday today. Happy birthday. (Applause.) Secretary Arne Duncan, our great Secretary of Education. (Applause.) And Secretary Kathleen Sebelius of Health and Human Services. (Applause.)

They couldn't be here today but they played a huge role in making this happen—Senator Harry Reid, the Majority Leader in the Senate; Senator Mike [sic] McConnell, the ranking Republican who helped facilitate the smooth passage of this bill; Senator Chambliss, who was the lead Republican; Republicans Hoyer, Clyburn and McCarthy all played important roles, and so we're very grateful to them. Give them a big round of applause. (Applause.)

It is worth noting that this bill passed with bipartisan support in both houses of Congress. That hasn't happened as often as we'd like over the last couple of years, but I think it says something about our politics. It reminds us that no matter what people may hear about how divided things are in Washington, we can still come together and agree on issues that matter for our children's future and for our future as a nation. And that's really what today is all about.

At a very basic level, this act is about doing what's right for our children. Right now, across the country, too many kids don't have access to school meals. And often, the food that's being offered isn't as healthy or as nutritious as it should be. That's part of the reason why one in three children in America today are either overweight or obese.

And we're seeing this problem in every part of the country in kids from all different backgrounds and all walks of life. As a result, doctors are now starting to see conditions like high blood pressure, high cholesterol and Type II diabetes in children—these are things that they only used to see in adults. And this bill is about reversing that trend and giving our kids the healthy futures that they deserve.

And this bill is also about doing what's right for our country, because we feel the strains that treating obesity-related health conditions

puts on our economy. We've seen the connection between what our kids eat and how well they perform in school. And we know that the countries that succeed in the 21st century will be the ones that have the best-prepared, best-educated workforce around.

So we need to make sure our kids have the energy and the capacity to go toe to toe with any of their peers, anywhere in the world. And we need to make sure that they're all reaching their potential. That's precisely what this bill—the Healthy, Hungry-Free Kids Act—will accomplish.

This legislation will help 115,000 children gain access to school meal programs. And wherever we can, we're doing away with bureaucracy and red tape, so that families don't have to fill out mountains of paperwork to get their kids the nutrition they need.

We're improving the quality of those meals by reimbursing schools an additional six cents per lunch to help them provide with healthier options -- the first real increase, by the way, in over 30 years. Because when our kids walk into the lunchroom, we want to be sure that they're getting balanced, nutritious meals that they need to succeed in the classroom.

We're empowering parents by making information more available about the quality of school meals -- helping families understand what their kids are eating during the day.

And to support our schools' efforts to serve fresh fruits and vegetables, we're connecting them with local farmers.

We're also improving food safety in schools, and boosting the quality of commodities like cheese that schools get from the Department of Agriculture and use in their lunch and breakfast programs.

It's also important to note that while this bill is fully paid for, it won't add a dime to the deficit, some of the funding comes from rolling back a temporary increase in food stamp benefits -- or SNAP as it's now called -- starting in the fall of 2013. I know a number of members of Congress have expressed concerns about this offset being included in the bill, and I'm committed to working with them to restore these funds in the future.

We know that every day across this country, parents are working as hard as they can to make healthy choices for their kids. Schools are doing everything possible to provide the nutritious food they need to thrive. Communities are coming together to help our young people lead healthier lives right from the beginning. And it's time that we made that work a little bit easier.

So these folks are fulfilling their responsibilities to our kids. This legislation helps ensure that we fulfill our responsibilities as well.

Shortly after signing the first law establishing school lunches, Harry Truman said that "Nothing is more important in our national life than the welfare of our children, and proper nourishment comes first in attaining this welfare."

So today, I'm very proud to sign this bill that continues that legacy. Not only am I very proud of the bill, but had I not been able to get this passed, I would be sleeping on the couch. (Laughter and applause.)

So now I am—now I am very proud to introduce somebody who's done so much to shine a light on these critical issues related to childhood nutrition and obesity and exercise: America's First Lady, my First Lady, Michelle Obama. (Applause.)

MRS. OBAMA: Thank you. Thank you, everybody. Thank you all, thanks so much, and good morning.

AUDIENCE: Good morning.

MRS. OBAMA: And thank you, Mr. President—(laughter)—for that very kind introduction. And all kidding aside, my husband worked very hard to make sure that this bill was a priority in this session. And I am grateful to you.

THE PRESIDENT: Because I would have been sleeping on the couch. (Laughter.)

MRS. OBAMA: But I am thrilled to be here—we won't go into that. (Laughter.) Let's just say it got done, so we don't have to go down that road. (Laughter.)

But I am thrilled to be here with all of you today as my husband signs the Healthy, Hunger-Free Kids Act into law.

Now, usually, we hold these bill signings in the White House. But we felt it was important to do this one right here at Tubman

Elementary because we wanted to share this moment with our partners—with the students, the parents, the teachers, the community leaders, like all of you here, who have been so instrumental.

Our White House chefs have worked closely with educators at this school, and they've seen your commitment to serving high-quality school meals to all of your students. I've worked side by side with kids from this school, as well as from Bancroft Elementary School, to harvest our White House garden. We couldn't have done it without all our students helping us. And I saw how hard they worked, and I also saw how brave they were to try vegetables that many of them never even heard of, so—(laughter)—and I also understand that there are students from Murch Elementary School who are here today as well, and we all had just a great time last spring working up a sweat and exercising and playing on the South Lawn of the White House.

So with everything that all of you are doing to give these children a healthy start in life, you are fulfilling the mission of this legislation every single day. That's why we're here. So I want to thank you all, all of our partners, for what you've done, not just in hosting us here today but in making sure that we're doing the right thing by our kids.

I also want to echo my husband's thanks to leaders and members of Congress, many of whom are on the stage, many of whom are not and are down here, and you all have done just a tremendous thing in making this day possible. As he said, this was truly a bipartisan effort, with passionate supporters from both parties putting in late nights and long weekends, working around the clock to make sure that this bill got passed, because while we may sometimes have our differences, we can all agree that in the United States of America, no child should go to school hungry.

We can all agree—(applause)—we can all agree that in the wealthiest nation on Earth, all children should have the basic nutrition they need to learn and grow and to pursue their dreams, because in the end, nothing is more important than the health and well-being of our children. Nothing. And our hopes for their future should drive every single decision that we make.

These are the basic values that we all share, regardless of race, party, religion. This is what we share. These are the values that this bill embodies. And that's why we've seen such a groundswell of support for these efforts -- not just from members of Congress here in Washington, but from folks in every corner of the country. It's been beautiful to see.

From educators working to provide healthier school meals, because they know the connection between proper nutrition and academic performance.

From doctors and nurses who know that unhealthy kids grow into unhealthy adults -- at risk for obesity-related diseases like diabetes, heart disease, cancer.

From business and labor leaders who know that we spend nearly \$150 billion a year to treat these diseases and who worry about the impact on our economy.

From advocates and faith leaders who know that school meals are vital for combating hunger, feeding more than 31 million children a day.

And from military leaders who tell us that when more than one in four young people are unqualified for military service because of their weight, they tell us that childhood obesity isn't just a public health issue; they tell us that it is not just an economic threat—it is a national security threat as well.

Now, these folks come at this issue from all different angles. But they've come together to support this bill because they know it's the right thing to do for our kids. And they know that in the long run, it won't just save money, but it's going to save lives.

And let's be clear: These folks don't just support this bill as leaders and as professionals, but as parents as well. And we know that ensuring that kids eat right and stay active is ultimately the responsibility of parents more than anyone else.

And everywhere I go, fortunately, I meet parents who are working very hard to make sure that their kids are healthy. They're doing things like cutting down on desserts and trying to increase fruits and

vegetables. They're trying to teach their kids the kind of healthy habits that will stay with them for a lifetime.

But when our kids spend so much of their time each day in school, and when many children get up to half their daily calories from school meals, it's clear that we as a nation have a responsibility to meet as well. We can't just leave it up to the parents. I think that parents have a right to expect that their efforts at home won't be undone each day in the school cafeteria or in the vending machine in the hallway. I think that our parents have a right to expect that their kids will be served fresh, healthy food that meets high nutritional standards.

And particularly in these tough economic times, when so many families are struggling, when school meals sometimes are the main source of nourishment for so many kids, we have an obligation to make sure that those meals are as nutritious as possible.

But by improving the quality of school meals—and making sure that more children have access to them—that is precisely what the Healthy, Hunger-Free Kids Act is going to do. Because while it might seem counterintuitive, child hunger and child obesity are really just two sides of the same coin. Both rob our children of the energy, the strength and the stamina they need to succeed in school and in life. And that, in turn, robs our country of so much of their promise.

Both, though, can be solved when we come together to provide our children with the nutritious food that they need and deserve. That's why for well over half a century, we've made child nutrition a national priority.

The bill we're signing into law today actually has its roots in the National School Lunch program signed into law by President Truman after World War II. And it also has roots in the Child Nutrition Act that was passed just two decades after that in 1966. Now, the idea for that act came from a priest named Reverend C.B. Woodrich, who worked with children in Denver, Colorado.

Many of these kids were going hungry because they couldn't afford to buy lunch. Reverend Woodrich thought that was unconscionable, and he decided to do something about it. So he somehow managed to talk his way into a meeting with President Johnson. He

arrived at the Oval Office without any kind of report or presentation or speech. Instead, he simply brought an enormous album filled with the photos of children in need, which he promptly spread across the President's desk.

The Reverend, he wanted—later explained that the size of the photo album was deliberate, because he wanted to be sure that it would be big enough to cover up everything else on the President's desk. And that's hard to do. It's a big desk. (Laughter.)

It is to this day a moving reminder that the most important job of any President is to ensure the well-being of our nation's children, because we know that the success of our nation tomorrow depends on the choices we make for our kids today. It depends on whether they can fulfill every last bit of their potential, and we, in turn, can benefit from every last bit of their promise.

That is our obligation, not just as parents who love our kids but as citizens who love this country. That's the mission of this legislation — to give all of our children the bright futures that they deserve. And that is why I am so proud to be here. I am so proud to have worked on this bill with all of you, and now I am pleased to stop talking and turn this over to my husband so that he can get to work signing that bill.

THE PRESIDENT: Let's go sign this bill.

MRS. OBAMA: Let's go do it. (Applause.)

# Remarks by the President in Meeting with the President's Export Council

**Eisenhower Executive Office Building**

10:19 A.M. EST

THE PRESIDENT: Everybody have a seat, have a seat. Well, good morning, everybody. And thank you for once again coming together to help us figure out how we're going to sell a lot of stuff all around the world.

I want to thank Secretary Locke and members of my Cabinet and administration. I want to thank the members of Congress who are here. And I want to thank Jim and Ursula, the chair and vice chairs of the President's Export Council, and all the other members here today for your extraordinary work.

Now, everyone in this room is committed to promoting a strong and growing economy—one that's creating jobs, fostering a thriving middle class, and extending opportunity for all who are willing to work for it.

And as we meet here, there is an important debate I think most of you are aware of on Capitol Hill that will determine, in part, whether our economy moves forward or backward. The bipartisan framework that we've forged on taxes will not only protect working Americans from seeing a major tax increase on January 1st; it will provide businesses incentives to invest, grow and hire. And every economist that I've talked to or that I've read over the last couple of

days acknowledges that this agreement would boost economic growth in the coming years and has the potential to create millions of jobs. The average American family will start 2011 knowing that there will be more money to pay the bills each month, more money to pay for tuition, more money to raise their children.

But if this framework fails, the reverse is true. Americans would see it in smaller paychecks that would have the effect of fewer jobs.

So as we meet here today to talk about one important facet of our economic strategy for the future, I urge members of Congress to move forward on this essential priority.

Now, the top priority of my administration since I took office has been to get the American people back on their feet and back on the job in the aftermath of the most devastating recession in our lifetime. That's job one. But as I said in greater detail on Monday, we've also got to ask ourselves how do we position our economy to be strong, growing and competitive in the long run.

One strategy that will help us do both -- to create good jobs that pay well today and create new markets for jobs tomorrow -- is to increase our exports to the rest of the world. That's why, in my State of the Union address, I set a goal for America: We will double our exports for goods and services over five years. And I re-launched this council because, as business leaders and labor leaders, as members of Congress and as members of my administration, I value your advice in terms of how we best achieve that goal.

What we all agree on is that we've got to rebuild our economy on a new and stronger foundation for growth. And part of that means getting back to doing what America has always been known for doing -- what our workers and our businesses have always done best -- and that's making great products and selling them around the world.

The world wants products made in America. We've got workers ready to make them. And the fact is, exporting is good for our economy. The more our companies export, the more they produce. The more they produce, the more workers they hire. Every \$1 billion that we increase in exports supports more than 5,000 jobs, and companies that export often pay better wages.

So at a time when jobs are in short supply, growing our export markets is an imperative. And growing our exports today will create the jobs of tomorrow. Ninety-five percent of the world's customers and the fastest-growing markets are beyond our borders. If we want to find new growth streams for our economy, we've got to compete aggressively for those customers -- because other nations are competing aggressively. And as long as I'm President of the United States, we are going to fight for every job, every industry, every market, everywhere -- and we intend to win.

That's why I set this goal. We're on track to meet it. Exports are up nearly 18 percent so far over last year. Today, I'd like to offer an update on some of the steps we've taken to get there and steps we're taking based on this council's recommendations, to keep making progress.

Earlier this year, I launched the National Export Initiative -- an effort to marshal the full resources of the federal government behind America's businesses, large and small, in order to best help them sell their goods, services and ideas to the rest of the world.

One of the things I pledged to do as part of this initiative was to move forward on new trade agreements with some of our key partners. And I promised to do it in a way that secures a level playing field for our companies and a fair shake for our workers, without compromising our most cherished values.

That's why I am so pleased that the United States and South Korea reached agreement on a landmark trade deal last week. We expect this deal's tariff reductions alone to boost annual exports of American goods by up to \$11 billion. And all told, this agreement -- including the opening of the Korean services market -- will support more than 70,000 American jobs.

I hoped to finalize this agreement—I had hoped to finalize this agreement when I traveled to Korea last month, but I didn't agree to it at that time for one simple reason: It wasn't yet good enough for our workers or our economy. As much as I believe that looking out for American workers requires competing in the global marketplace, I also believe that as we compete in the global marketplace, we've got

to look out for American workers. So I said let's take the time to get this right. And we did.

It is now a deal that is good for our workers, good for our businesses, good for our farmers, good for our ranchers, good for aerospace, good for electronics manufacturers. In particular, American car and truck manufacturers will have more access to Korea's markets. And here at home, we'll encourage the development of electric cars and green technologies and continue to ensure a level playing field for our automakers.

It's also good for our friend and ally South Korea. They will grow their economy, gain greater access to our markets, and will also get American products that will be more affordable for Korean households and businesses. And that means more choices for them and more jobs for us.

And it's good for American leadership. As I've insisted all along, it—the deal that we've struck includes strong protections for workers' rights and environmental standards — and as a consequence, I believe it's a model for future trade agreements that I will pursue.

It's an agreement supported by members of Congress on both side of the aisle, and Americans on all sides of the political spectrum — from the UAW to the Chamber of Commerce. And I look forward to working with Congress and leaders in both parties to approve it—because if there's one thing we should all agree on, it's creating jobs and opportunity for the American people.

Another thing that we said we'd do is to go to bat as a stronger advocate for our businesses abroad. This is an effort that I pledged to lead personally. And that's why, on the same trip where we were working to get the Korea deal done, I visited India to highlight the role American business played there and took the opportunity to sell our exports to one of the fastest-growing markets in the world. While I was there, we reached several landmark deals — from Boeing jets and GE engines to medical and mining equipment — deals that are worth nearly \$10 billion in exports and will support more than 50,000 American jobs.

I also believe that strong economic partnerships can create prosperity at home and advance it around the world. And that's why we focused on deepening our economic cooperation with Russia on a range of fronts—from aerospace to agriculture, including restarting American poultry exports earlier this year, which was an important victory for many American farmers. I believe that Russia belongs in the WTO and that we should support all efforts to make that happen. I think President Medvedev is doing important work trying to reform and move Russia forward on a whole host of issues, and I told him that the United States would be a partner with him in that effort. Welcoming Russia to the WTO would be good for them; it would also be good for us and good for the global economy.

Finally, we've also been working to reform our export control system with high-tech companies like some of yours in mind, so that American firms that make products with national security implications can stay competitive even as we better protect our national security interests.

When this council met in September, some of you asked that we make it easier for businesses to participate in these reform efforts. So today, I'm pleased to announce that we're publishing a first set of guidelines for what products should be controlled going forward, and the licensing policies that will apply to them. As an example, we've applied those policies to one category of products. In that one category, about three-quarters of products previously subjected to stricter controls will be shifted to a more flexible list, and many are expected to fall off the list altogether. And we want input from businesses, from Congress and from our allies as we complete this reform.

Today, we're also unveiling a new export control reform web page as part of the revamped [Export.gov](http://Export.gov). This is something that Secretary Locke mentioned in our last meeting. Typically, all businesses that export have to go through a maze of different lists, different formats, from different departments, to make sure they're not selling their products somewhere or to someone that they shouldn't be. As important as that is, the process is repetitive, it's redundant, and particularly onerous for small businesses without the means to navigate it all.

So we're changing that. Effective today, businesses can, for the very first time, go to [Export.gov](http://Export.gov) and download one consolidated list of entities that have special export requirements.

So that's a lot of work that we've been doing to double our exports, to open up new markets and level the playing field for American workers and businesses—all with the overarching purpose of growing and strengthening the American economy.

I'm very much looking forward to the discussion we're going to be having as you guys continue your work. I'm grateful for all of you for being here, because while those of us around this table may not always agree on every issue, what does bind us together is that we want to see our businesses grow. We want to see our workers get hired. We want our people to succeed. We want America to compete. We want to stay on top in the 21st century. And I'm confident we can do that with your help.

So thank you very much, everybody. And I think you guys are going to strike this podium so I can sit down and listen a little bit. Thank you. (Applause.)

# Remarks by President Obama and President Komorowski of Poland after Bilateral Meeting

## Oval Office

11:45 A.M. EST

**PRESIDENT OBAMA:** Good morning, everybody. I want to extend the warmest possible greetings to President Komorowski and his delegation. Poland is one of our strongest and closest allies in the world and is a leader in Europe. And so it is fitting that my first visitor from Central and Eastern Europe is, in fact, the Polish President.

Before I mention the substance of our meeting, let me just say something very quickly to the American news crews about something that's on everybody's minds—and that is the current debate about the tax agreement that we've come up with.

We announced this agreement, and over the last couple of days economists throughout the country have looked at what would be the results of getting this agreement through Congress. And I think it's worth noting that the majority of economists have upwardly revised their forecasts for economic growth and noted that as a consequence of this agreement we could expect to see more job growth in 2011 and 2012 than they originally anticipated.

And I just think it's very important for Congress to examine the agreement, look at the facts, have a thorough debate, but get this done. The American people are watching and they're expecting action on our parts.

I don't think you need to translate that.

Now, having said that, I just want to say that I first spoke to President Komorowski in the wake of a tragedy that broke the hearts not only of the Polish people but caused the entire world to grieve. The loss of President Kaczynski, the First Lady, the entire planeload full of extraordinary Polish leaders caused extraordinary shock. But I have been so impressed with the steady hand and the leadership that President Komorowski has shown as he stepped in to guide the Polish people forward.

Something that the Polish people and the American people have long shared is not only a love of freedom but also a deep faith and resilience in the face of hardship. And President Komorowski exhibited all those traits as the leader of Poland during this difficult period.

So, given these strong bonds between our two peoples—bonds that I feel very personally given that I'm from Chicago, which has the largest Polish population outside of Poland—this has been a very productive meeting and we discussed a wide range of issues.

We started with the issue that is at the heart of our relationship, and that is our status as allies in NATO. And coming out of the Lisbon summit, we once again reaffirmed the centrality of Article 5 as the central tenet of the NATO Alliance. And I reiterated my determination and the American people's determination to always stand by Poland in its defense and its security needs.

And that commitment is exemplified by the joint adoption at Lisbon by NATO of a NATO-wide missile defense capacity. It's exemplified by the air force detachment that will be placed in Poland as part of our ongoing relationship in the training process. It is indicated by the SM-3s and the interceptors that are going to be located in Poland as part of our phased adoptive approach to missile defense. And most importantly, it's affirmed by the fact that not only are we NATO allies but strong bilateral allies and that bond between our two countries is unbreakable.

I know that was a mouthful, I'm sorry. (Laughter.)

(Pause for translation.)

We also discussed the tremendous sacrifices that the Polish military are making as part of the ISAF alliance in Afghanistan, and reaffirmed what all of us agreed to in Lisbon, that next year will be a year in which transition begins so that we can start giving Afghans more responsibility for their security and, over time, make sure that our emphasis is more on training rather than direct combat in that nation.

I also thanked the President for the very strong support that the Polish government, as well as the governments throughout Eastern Europe and Central Europe have shown towards the New START treaty. As we embark on a debate of that treaty in the United States Senate, I indicated to him how important it was for U.S. senators to hear from those who are Russia's neighbors that they feel it is very important to make sure that the New START treaty is ratified so that we can continue the verification process that is so important in reducing risks throughout that region.

And finally, because our relationship is not restricted to security, we discussed a range of economic issues, as well, including Polish leadership on energy independence issues in Central and Eastern Europe. And we also discussed Poland's leadership as a key democracy and how it can help its neighbors to continue down a path of greater freedom and greater openness and transparency.

This year we mark the 30th anniversary of Solidarity. And all those around the world remember how inspired we were by the brave Poles who sought their freedom, including a young—or younger—President Komorowski, who, himself, was imprisoned. And we continue to draw inspiration from the tremendous strides that Poland has made. We continue to deeply appreciate the strong friendship between our two countries.

And I'm so grateful to President Komorowski for having come here today because it is one more reaffirmation that our alliance is strong and will continue to be strong for decades to come.

PRESIDENT KOMOROWSKI: (As translated.) Mr. President, ladies and gentlemen, I would like to express the absolute same perspective on what happened in Lisbon. This goes both for the full acceptance of the arrangements by NATO as to the

future of Afghan operation. And first and above all, this is about the reaffirmation of the significance of Article 5 Washington treaty. And we agreed that what happened in Lisbon was the renewal and the reaffirmation of the internal cohesion of the Alliance and also the sense of the existence of NATO as the Alliance as going to defend the territorial integrity of its member states.

And this is also connected with the reaffirmation of the necessity to implement the language from the contingency plans in the forms of exercises, also NATO infrastructure in the territory of the member states. And an element of this is also the American activity and presence in the form of the military participation both in Europe and in Poland.

NATO now plays new roles, but it does not reject its old role, which continues as fundamental for its future. I allowed myself to illustrate this to President Obama in a very illustrative way, a very picturesque way. I simply said that if we are to go hunting very far away from our house, we have to be absolutely sure that our house, our women and our children are well guarded. And then you hunt better.

And I also wanted to say that this is needed to renew and reaffirm good Polish-American relations. And the fundament of these relations is both American and Polish love for freedom. And we want also to make sure that this reaffirmation is a visible sign that these relations, instead of some difficulties underway, are getting stronger and not weaker.

And thirdly, I wanted to say also that we talked about something that is very important for creating very good texture for the cooperation between the United States and Poland. Poland is economically successful. We are the only country that has kept positive GDP growth in Europe. We want to see the greatest interest and the activity of the American capital in Poland.

However, on the principles of healthy competition, because I am absolutely convinced that as in other areas of our life, in economy, it also stands true good competition is always good.

And the last thing but is also very important is the Polish attitude to the current issues, which are very important from the perspective

of the security of our world. Poland supports and fully accepts the aspiration for the ratification of the New START because we believe that this is the investment in a better and safer future. And this is also the investment in the real control over the current situation.

If you live just next door with somebody for 1,000 years, it is not possible to reset all the past relations using just one push of the reset button. We are not able to fully reset and delete 1,000 years of uneasy history with Russians. But we do not want to be an obstacle; we want to be a help in the process of resetting the relations between the Western world with Russia. We want to invest in relations with Russia.

Two days ago in Poland we had a visit of President of the Russian Federation Medvedev. And it is our very open will, our greatest conviction and open heart with which we want to invest in better relations with Russia.

But we also are absolutely sure of this old Russian proverb, “You have to have the confidence but you also have to verify,” because then, perhaps at the end of the process we will also push the reset button after 1,000 years of our history. And this is what we would like to have very much.

PRESIDENT OBAMA: Thank you so much.

So we’ve got time for two questions. I think on the American side I’m going to call on Bill Plante.

Q Mr. President, now that you’ve negotiated with the Republicans, are you willing to negotiate with the Democrats who think they’ve—that you’ve betrayed them on the tax package? And when you talked to the Republicans, did they give you any assurances that they would take up START and “don’t ask” in the lame duck?

PRESIDENT OBAMA: Well, first of all, Bill, I think it is inaccurate to characterize Democrats writ large as feeling “betrayed.” I think Democrats are looking at this bill, and you’ve already had a whole bunch of them who said this makes sense. And I think the more they look at it, the more of them are going to say this makes sense.

As I've indicated, you've just had economists over the last 24, 48 hours examine this and say this is going to boost the economy, it is going to grow the economy, it is going to increase the likelihood that we can drive down the unemployment rate. And it's going to make sure that 2 million people who stand to lose unemployment insurance at the end of this month get it; that folks who count on college tax credits or child tax credits or the Earned Income Tax Credit, that they're getting relief; and that tens of millions of Americans are not going to see their paychecks shrink come January 1st.

So this is the right thing to do. I expect everybody to examine it carefully. When they do, I think they're going to feel confident that, in fact, this is the right course—while understanding that for the next two years we're going to have a big debate about taxes and we're going to have a big debate about the budget and we're going to have a big debate about deficits. And Republicans are going to have to explain to the American people over the next two years how making those tax cuts for the high end permanent squares with their stated desire to start reducing deficits and debt.

I don't think that formula works. But they'll have the opportunity to make the case. I'll have the opportunity to make the case that we've got to have tax reform; that we've got to simplify the system; that we do have to cut spending where it makes sense. But we're also going to have to make sure that we've got a tax code that is fair and that looks after the interest of middle-class Americans and continues to grow the economy.

With respect to START, I feel confident that when you've got previous secretaries of state, defense, basically the entire national security apparatus of previous Democratic and Republican administrations, our closest allies who are most impacted by relations with Russia, and as President Komorowski indicated, have a thousand years of uneasy relations with Russia, saying that the New START treaty is important, that we are going to be able to get it through the Senate.

That's not linked to taxes. That's something that on its own merits is close to get done—needs to get done. And I have discussed it with Senate Republican leader McConnell. I am confident that we are

going to be able to get the START treaty on the floor, debated and completed before we break for the holidays.

Q This is a question for both Presidents. Have you at all discussed the inclusion of Poland into the visa waiver program? And if so, Mr. President, what has your administration done in order to include Poland into this program?

PRESIDENT OBAMA: I will—why don't I answer that just very quickly. First of all, I want all Poles and Polish Americans to know that President Komorowski raised this issue very robustly with me. I am well aware that this is a source of irritation between two great friends and allies, and we should resolve it.

The challenge I have right now is, is that there is a congressional law that prevents my administration from taking unilateral executive action. So we're going to have to work with Congress to make some modifications potentially on the law.

In the meantime, what I indicated to President Komorowski is that I am going to make this a priority. And I want to solve this issue before very long. My expectation is, is that this problem will be solved during my presidency.

Q So it has not been your priority in the past two years?

PRESIDENT OBAMA: I'm sorry, what I said was that it has been a priority and we've been continuing to work on it, but it hasn't gotten solved yet.

PRESIDENT KOMOROWSKI: (As translated.) It's nice for me to hear President Obama reaffirm that we have talked about it. I take these declarations with good faith. I feel simply committed to say that Polish public opinion completely does not understand why all the neighbors of Poland, the neighborhood of Poland, can use that visa waiver program and we can't.

So Poles somehow cope, because we are a member of the European Union and we can travel and we can work in all the member states of the European Union. So I just want to say that I know that it would be quite logical for us to be able also to travel without visas to the United States.

But from the perspective of Poland, we have said everything about it. And we also—I'm completely sure that this issue will be reconsidered and revisited by the American party, also from the perspective of the relations between the citizens of Poland and the United States.

PRESIDENT OBAMA: Well, Mr. President, thank you so much for the wonderful visit. And I just want to make—as the press leaves, you might want to note that I got this beautiful Christmas tree ornament from the President and it's already on my tree. We hung it up. And it's the prettiest one on the tree, so you may want to take a look at it.

PRESIDENT KOMOROWSKI: I also want to say that I'm absolutely convinced that your numerous neighbors from Chicago make exactly the same decorations. (Laughter.) And I also have a decoration from the White House, a Christmas tree decoration, and I'm going to put it on my Christmas tree in Warsaw.

PRESIDENT OBAMA: Merry Christmas. Thank you.

# Statement by the President on Tax Cuts and Unemployment Benefits

*Room 430*

**Eisenhower Executive Office Building**

6:32 P.M. EST

THE PRESIDENT: Hello, everybody. Sorry to keep you waiting.

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 1st, 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 reason to believe that this stalemate won't continue well into next year. This would be a chilling prospect for the American people whose taxes are currently scheduled to go up on January 1st because of arrangements that were made back in 2001 and 2003 under the Bush tax cuts.

I am not willing to let that happen. I know there's some people in my own party and in the other party who would rather prolong this battle, even if we can't reach a compromise. But I'm not willing to let working families across this country become collateral damage for political warfare here in Washington. And I'm not willing to let our economy slip backwards just as we're pulling ourselves out of this devastating recession.

I'm not willing to see 2 million Americans who stand to lose their unemployment insurance at the end of this month be put in a situation where they might lose their home or their car or suffer some additional economic catastrophe.

So, sympathetic as I am to those who prefer a fight over compromise, as much as the political wisdom may dictate fighting over solving problems, it would be the wrong thing to do. The American people didn't send us here to wage symbolic battles or win symbolic victories. They would much rather have the comfort of knowing that when they open their first paycheck on January of 2011, it won't be smaller than it was before, all because Washington decided they preferred to have a fight and failed to act.

Make no mistake: Allowing taxes to go up on all Americans would have raised taxes by \$3,000 for a typical American family. And that could cost our economy well over a million jobs.

At the same time, I'm not about to add \$700 billion to our deficit by allowing a permanent extension of the tax cuts for the wealthiest Americans. And I won't allow any extension of these tax cuts for the wealthy, even a temporary one, without also extending unemployment insurance for Americans who've lost their jobs or additional tax cuts for working families and small businesses—because if Republicans truly believe we shouldn't raise taxes on anyone while our economy is still recovering from the recession, then surely we shouldn't cut taxes for wealthy people while letting them rise on parents and students and small businesses.

As a result, we have arrived at a framework for a bipartisan agreement. For the next two years, every American family will keep their tax cuts—not just the Bush tax cuts, but those that have been put in place over the last couple of years that are helping parents and students and other folks manage their bills.

In exchange for a temporary extension of the tax cuts for the wealthiest Americans, we will be able to protect key tax cuts for working families—the Earned Income Tax Credit that helps families climb out of poverty; the Child Tax Credit that makes sure families don't see their taxes jump up to \$1,000 for every child; and the American Opportunity Tax Credit that ensures over 8 million students and their families don't suddenly see the cost of college shooting up.

These are the tax cuts for some of the folks who've been hit hardest by this recession, and it would be simply unacceptable if their taxes went up while everybody else's stayed the same.

Now, under this agreement, unemployment insurance will also be extended for another 13 months, which will be welcome relief for 2 million Americans who are facing the prospect of having this lifeline yanked away from them right in the middle of the holiday season.

This agreement would also mean a 2 percent employee payroll tax cut for workers next year—a tax cut that economists across the

political spectrum agree is one of the most powerful things we can do to create jobs and boost economic growth.

And we will prevent—we will provide incentives for businesses to invest and create jobs by allowing them to completely write off their investments next year. This is something identified back in September as a way to help American businesses create jobs. And thanks to this compromise, it's finally going to get done.

In exchange, the Republicans have asked for more generous treatment of the estate tax than I think is wise or warranted. But we have insisted that that will be temporary.

I have no doubt that everyone will find something in this compromise that they don't like. In fact, there are things in here that I don't like—namely the extension of the tax cuts for the wealthiest Americans and the wealthiest estates. But these tax cuts will expire in two years. And I'm confident that as we make tough choices about bringing our deficit down, as I engage in a conversation with the American people about the hard choices we're going to have to make to secure our future and our children's future and our grandchildren's future, it will become apparent that we cannot afford to extend those tax cuts any longer.

As for now, I believe this bipartisan plan is the right thing to do. It's the right thing to do for jobs. It's the right thing to do for the middle class. It is the right thing to do for business. And it's the right thing to do for our economy. It offers us an opportunity that we need to seize.

It's not perfect, but this compromise is an essential step on the road to recovery. It will stop middle-class taxes from going up. It will spur our private sector to create millions of new jobs, and add momentum that our economy badly needs.

Building on that momentum is what I'm focused on. It's what members of Congress should be focused on. And I'm looking forward to working with members of both parties in the coming days to see to it that we get this done before everyone leaves town for the holiday season. We cannot allow this moment to pass.

And let me just end with this. There's been a lot of debate in Washington about how this would ultimately get resolved. I just want everybody to remember over the course of the coming days, both Democrats and Republicans, that these are not abstract fights for the families that are impacted. Two million people will lose their unemployment insurance at the end of this month if we don't get this resolved. Millions more of Americans will see their taxes go up at a time when they can least afford it. And my singular focus over the next year is going to be on how do we continue the momentum of the recovery, how do we make sure that we grow this economy and we create more jobs.

We cannot play politics at a time when the American people are looking for us to solve problems. And so I look forward to engaging the House and the Senate, members of both parties, as well as the media, in this debate. But I am confident that this needs to get done, and I'm confident ultimately Congress is going to do the right thing.

Thank you very much, everybody.

# Remarks by the President on the Economy in Winston- Salem, North Carolina

**Forsyth Technical Community College—West Campus,  
Winston-Salem, North Carolina**

12:28 P.M. EST

THE PRESIDENT: Thank you so much. Thank you, everybody. (Applause.) Thank you so much. Thank you so much. Please, everybody have a seat, have a seat. It is good to be back in North Carolina. (Applause.) 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 president, Gary Green, is here. (Applause.) Your wonderful governor, Bev Perdue, is in the house. (Applause.) Your senators—Richard Burr—(applause)—and the better-looking one, Kay Hagan. (Applause.) Two hardworking Congressmen, Mel Watt and Brad Miller are here. (Applause.) We've got Secretary of State Elaine Marshall in the house. (Applause.) And Mayor Allen Joines is here. (Applause.)

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. (Applause.) 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 two years of job loss, our economy has added over one million private sector jobs in 2010. (Applause.)

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. (Applause.) And after teetering on the brink of liquidation not two years ago, our auto industry is posting healthy gains. (Applause.) 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 without work. 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 1st. 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. (Applause.) 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. (Applause.)

We should also extend unemployment insurance for workers who've lost their jobs through no fault of their own. That is a priority. (Applause.) 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—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. (Applause.)

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. (Applause.)

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 1st place to 9th 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 was 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. (Applause.)

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. (Applause.)

As a national leader in bioscience and innovation, North Carolina is now the country's third largest employer in biotechnology. (Applause.) 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." (Applause.)

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. (Applause.) 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. (Applause.) We won't be able to do it. (Applause.)

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 three-year freeze in all spending that doesn't have to do with national security. And I proposed a two-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 five 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—(applause.)

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. (Applause.) 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. (Applause.)

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 its engine. It's not a good idea. (Applause.) 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. (Applause.)

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 two 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. (Applause.)

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—(applause)—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. (Applause.) So it's time, for example, that we have a tax code that encourages job creation here in America. (Applause.)

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 jumpstart, 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. (Applause.)

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. (Applause.)

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. (Applause.)

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. (Applause.) I don't want to see new solar panels or electric cars or advanced batteries manufactured in Europe or in Asia. I want to see them made right here in America, by American businesses and American workers. (Applause.)

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. (Applause.) We've got to start selling and have them do some buying. (Applause.) And that's why we've set a goal of doubling U.S. exports in five years. (Applause.) 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. (Applause.)

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 two 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 G.I. 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—(applause)—then we should be able to get our act together here, because we are all Americans and we are in this race together. (Applause.)

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 life-saving 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 remembered 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. (Applause.)

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. God bless America. (Applause.)

# Remarks by the President to the Troops at Bagram Air Base

## **Bagram Air Base**

10:37 P.M. (Local)

THE PRESIDENT: Hello, everybody! (Applause.) I'm sorry, Bagram, I can't hear you. (Applause.) Air Assault! (Applause.) It is great to be back. Let me first of all thank the 101st Airborne Division Band. Where's the band? Give them a big round of applause. Thank you. (Applause.)

To Chief Thomas Hager and to the commander and conductor. I gather we had a couple of other bands playing, Manifest Destiny and Nuts. I don't know about, you know—I don't know how they sounded. What did you think? Were they pretty good? (Hooah!)

It is great to be back. And I apologize for keeping you guys up late, coming on such short notice. But I wanted to make sure that I could spend a little time this holiday with the men and women of the finest fighting force that the world has ever known, and that's all of you. (Applause.)

I want to thank General Petraeus, not only for the introduction and the T-shirts, but for General Petraeus's lifetime of service. This is somebody who has helped change the way we fight wars and win wars in the 21st century. And I am very grateful that he agreed to take command of our efforts here in Afghanistan. He has been an extraordinary warrior on behalf of the American people. Thank you, David Petraeus. (Applause.)

I want to thank all your outstanding leaders who welcomed me here, including General John Campbell; Admiral Bill McRaven from the 455th Air Expeditionary Wing; Colonel Todd Canterbury. I want to salute your great senior enlisted leaders, including Command Sergeant Major Scott Schroeder—(hooah!)—Command Sergeant Major Chris Farris, and Command Chief Craig Adams. (Hooah!)

I also want to acknowledge the outstanding work that our civilians are doing each and every day, starting with Karl Eikenberry all the way through to your senior civilian representative Thomas Gibbons and all the civilians who are here. They are fighting alongside you. They are putting themselves at risk. They are away from their families. And we are very, very grateful to them as well. So give them a big round of applause. (Applause.)

I think we've got every service here tonight. We've got Army. (Applause.) We've got Navy. (Applause.) We've got Air Force. (Applause.) I think we may have a few Marines around, too. (Applause.) And a whole lot of folks from the 101st Airborne Division, The Screaming Eagles. (Applause.)

Here in Afghanistan, you are all—Coast Guard, is that what I heard? (Laughter.) Here in Afghanistan, all of you are part of one team, serving together, succeeding together, except maybe in next week's Army-Navy game. As your Commander-in-Chief, I've got to stay neutral on that. (Laughter.) We also have some ISAF partners here as well.

You know, when I was here in the spring, we had a coalition of 43 nations. Now we've got a coalition of 49 nations. And this sends a powerful message that the coalition of nations that supports Afghanistan is strong and is growing.

Now, I'm not here to give a long speech. I want to shake as many hands as I can. (Hooah!) But let me say that at this time of year, Americans are giving thanks for all the blessings that we have. And as we begin this holiday season, there is no place that I'd rather be than be here with you.

I know it's not easy for all of you to be away from home, especially during the holidays. And I know it's hard on your families. They've got an empty seat at the dinner table. Sometimes during the holiday season that's when you feel the absence of somebody you love most acutely.

But here's what I want you to know. As President of the United States, I have no greater responsibility than keeping the American people secure. I could not meet that responsibility, we could not protect the American people, we could not enjoy the blessings of our liberty without the extraordinary service that each and every one of you perform each and every day.

So on behalf of me, on behalf of Michelle, on behalf of Malia and Sasha, on behalf of more than 300 million Americans, we are here to say thank you. (Hooah!) We are here to say thank you for everything that you do.

Now, I also want to say thank you to your families back home so that when you talk to them you know that they know. (Applause.) They're serving here with you—in mind and spirit, if not in body.

Millions of Americans give thanks this holiday season just as generations have before when they think about our armed services. You're part of an unbroken line of Americans who have given up your comfort, your ease, your convenience for America's security.

It was on another cold December more than 200 years ago that a band of patriots helped to found our nation, defeat an empire—from that icy river to the fields of Europe, from the islands in the Pacific to the hills of Korea, from the jungles of Vietnam to the deserts of Iraq, those who went before you, they also found themselves in this season of peace serving in war. They did it for the same reason that all of you do—because the freedom and the liberty that we treasure, that's not simply a birthright. It has to be earned by the sacrifices of generations—generations of patriots, men and women who step forward and say, send me. I know somebody has got to do it, and I'm willing to serve. Men and women who are willing to risk all and some who gave all to keep us safe, to keep us free.

In our time, in this 21st century, when so many other institutions seem to be shirking their responsibilities, you've embraced your responsibilities. You've shown why the United States military remains the most trusted institution in America.

That's the legacy that your generation has forged during this decade of trial in Iraq and here in Afghanistan. That's the legacy that you're carrying forward.

As General Petraeus mentioned, one year ago I ordered additional troops to serve in this country that was the staging ground for the 9/11 attacks. All of those troops are now in place. And thanks to your service, we are making important progress. You are protecting your country. You're achieving your objectives. You will succeed in your mission. (Hooah!)

We said we were going to break the Taliban's momentum, and that's what you're doing. You're going on the offense, tired of playing defense, targeting their leaders, pushing them out of their strongholds. Today we can be proud that there are fewer areas under Taliban control and more Afghans have a chance to build a more hopeful future.

We said a year ago that we're going to build the capacity of the Afghan people. And that's what you're doing, meeting our recruitment targets, training Afghan forces, partnering with those Afghans who want to build a stronger and more stable and more prosperous Afghanistan.

I don't need to tell you this is a tough fight. I just came from the medical unit and saw our wounded warriors, pinned some Purple Hearts. I just talked to the platoon that lost six of their buddies in a senseless act of violence.

This is tough business. Progress comes slow. There are going to be difficult days ahead. Progress comes at a high price. So many of you have stood before the solemn battle cross, display of boots, a rifle, a helmet, and said good-bye to a fallen comrade.

This year alone nearly 100 members of 101st have given their last full measure of devotion. There are few days when I don't sign a letter to a military family expressing our nation's gratitude and grief at their profound sacrifice. And this holiday season our thoughts and prayers

are with those who've lost a loved one—the father and mother, the son or daughter, the brother or sister or friend who's not coming home. And we know that their memories will never be forgotten and that their life has added to the life of our nation.

And because of the service of the men and women of the United States military, because of the progress you're making, we look forward to a new phase next year, the beginning of a transition to Afghan responsibility.

As we do, we continue to forge a partnership with the Afghan people for the long term. And we will never let this country serve as a safe haven for terrorists who would attack the United States of America again. That will never happen. (Hooah!)

This part of the world is the center of a global effort where we are going to disrupt and dismantle and defeat al Qaeda and its extremist allies. And that's why you're here. That's why your mission matters so much. That's why you must succeed—because this effort is about the safety of our communities back home and the dignity of the Afghan people who don't want to live in tyranny.

Now, even though it is a hallmark of American democracy that we have our arguments back home, we have our debates, we have our elections, I can say without hesitation that there is no division on one thing, no hesitation on one thing—and that is the uniform support of our men and women who are serving in the armed services. (Hooah!)

Everybody—everybody is behind you. Everybody back home is behind you. Everybody, from north to south to east to west, from sea to shining sea, the American people are united in support of you and your families.

And as your Commander-in-Chief, I also want you to know that we will do whatever it takes to make sure that you have the strategy and the resources and the equipment and the leadership to get this done.

You may have noticed that during these tough budget times, I took the step of freezing pay for our federal workforce. But because of the service that you rendered, all who wear the uniform of the United States of America are exempt from that action. (Hooah!)

And we're going to make—we're going to spare no effort to make sure that your families have the support that they deserve as well. That doesn't just matter to me. It's also a top priority for Michelle—to make sure that Americans understand the sacrifices that your families are making. As she likes to say, 100 percent of Americans need to be right—they are supporting you and your families—100 percent. Only 1 percent are fighting these wars, but 100 percent of us have to be behind you and your families.

Your generation, the generation of Afghanistan and Iraq, has met every mission that you've been given. You've served tour after tour. You've earned not just our admiration; you've earned your place in American history alongside those greatest generations.

And the stories of those who served in these wars are too numerous to tell. But one of my greatest privileges as President is to get to know the stories of those who earn the Medal of Honor.

Two months ago, I presented the Medal to the parents of Staff Sergeant Robert Miller, who gave his life here in Afghanistan as a member of the Green Berets. His valor, charging toward some 150 insurgents, saved the lives of nearly two dozen American and Afghan comrades.

Last month, we held another ceremony. For the first time in nearly 40 years, the recipient of the Medal of Honor for an ongoing conflict was actually able to accept it in person. His name is Staff Sergeant Salvatore Giunta. And some of you may have seen his story, but I want to tell it again tonight because of what it says not just about our armed forces, but also what it says about the country that we love.

So three years ago, Sal and his platoon were in Korengal Valley. When their patrol was ambushed, two Americans lay wounded up ahead. That's when Sal and his men counter-attacked. Again and again and again, they were being rained down with fire. But they just kept counter-attacking because they wanted to get their two buddies.

And when he saw one of his teammates wounded and being carried away by insurgents, Sal rushed in to help his friends—despite the bullets. Despite the danger, he kept on pressing forward. It was an incredibly intense firefight. And by the time it was finished, every

single member of that platoon had shrapnel or a bullet hole in their gear. Five were wounded, and two had given their lives.

Now, Sal is a pretty humble guy. And so when he came to the White House he said, “You know, I didn’t do anything special.” He said he was just doing his job, that he didn’t do anything that his brothers wouldn’t have done for him.

“If I’m a hero,” he said, “then every man who stands around me, every woman in the military, every person who defends this country is also a hero.”

And he’s right. Each of you has your own story. Each of you is writing your own chapter in the story of America and the story of American armed forces. Each of you have some losses. Each of you have made sacrifices. You come from every conceivable background—from big cities and small towns, from every race and faith and station. You’ve come together to serve a greater cause, one that matters to the citizens of your country back home and to strangers who live a world away.

So make no mistake, through your service, you demonstrate the content of the American character. Sal is right—every single one of you is a hero.

Some people ask whether America’s best days lie ahead or whether our greatness stretches back behind us in the stories of those who’ve gone before. And when I look out at all of you, I know the answer to that. You give me hope. You give me inspiration. Your resolve shows that Americans will never succumb to fear. Your selfless service shows who we are, who we always will be—united as one people and united as one nation—for you embody and stand up for the values that make us what we are as a people.

America is not defined by our borders. We are defined by a common creed. In this holiday season, it’s worth remembering that “we hold these truths to be self-evident, that all men are created equal, that we are endowed by our Creator by certain inalienable rights, that among these are the right to life and liberty and the pursuit of happiness.”

And that's what you're fighting for here in Afghanistan, and that's what you're protecting back home. And that belief is more powerful than any adversary.

So we may face a tough enemy in Afghanistan, and we're in a period of tough challenges back home, but we did not become the nation that we are because we do what's easy. As Americans we've endured and we've grown stronger, and we remain the Land of the Free only because we are also Home of the Brave.

And because of you, I know that once more, we will prevail. So thank you. God bless you, and God bless the United States of America. (Hooah!)

Thank you, everybody, and Happy New Year. Thank you, everybody. God bless you.

# Remarks by the President and General Colin Powell After Meeting

## Oval Office

3:34 P.M. EST

THE PRESIDENT: I want to thank General Colin Powell for being here with me today. He is not only a great statesman and a great public servant, but also a great friend and a great counselor. And periodically I check in with him, and I know my entire team, including the Vice President, checks in with him, because he continues to have an unparalleled sense of our national security needs, and I think really taps into the best impulses of the American people.

The first thing that I want to do is I want to congratulate him and his wife Alma for the extraordinary work that he's been doing with America's Promise, which focuses on how can we finally get serious about education reform, because he understands, Alma understands and all of us understand that our kids are going to be competing not just against each other here in this country but they're now competing worldwide.

And America's Promise has been at the forefront on education reform. They just issued a report, "Building a Grad Nation," that notes that we have made some progress over the last several years in reducing the number of dropout factories that we have around the country, that we are seeing a greater emphasis on kids staying in school, but we've still got a lot more work to do. And it's going to require all of us—parents, teachers, administrators, the public and private sector—to make sure that we continue on this trend of improvement.

So thank you for the work you're doing in that.

Most of the discussion we had was around national security issues. We talked about some of the challenges across the landscape, from North Korea to Iran to Afghanistan. But we spent, in particular, a lot of time talking about the START treaty. General Powell has been involved with just about every arms control treaty since there were arms control treaties. I hate to --

GENERAL POWELL: Not quite that long.

THE PRESIDENT: I hate to date him, but from the Reagan administration on, he has helped to shepherd through a variety of these arms control treaties, and the reason is, is because he understands, as so many others understand, that a world without binding U.S.-Russia arms control treaties is a more dangerous world.

And he and I discussed why START is so important. In the absence of START, without the New START treaty being ratified by the Senate, we do not have a verification mechanism to ensure that we know what the Russians are doing, and they don't know what we're doing. And when you have uncertainty in the area of nuclear weapons, that's a much more dangerous world to live in.

We also discussed the fact that Russia has cooperated with us on critical issues to our national security like Iran sanctions, transit to supply our troops in Afghanistan, working on securing loose nuclear materials.

And the relationships and trust that are built from the New START treaty spill over into a whole host of other national security issues that are of vital importance to America.

So Colin is one of a number of former national security advisors, Secretaries of Defense, Secretaries of State—from both Democratic and Republican administrations—that have emphasized how important it is to get this done. And we discussed the fact that the Senate appropriately has a role in advice and consent, and it ultimately needs to ratify this treaty. That's why we have made sure that we have had 18 separate hearings. We have answered over a thousand questions.

We have offered to brief every single senator—Republican and Democrat—around these issues. But now it's time to get this done.

I'm gratified by the leadership of the ranking Republican on the Senate Foreign Relations Committee, Richard Lugar, as well as the ranking Democrat, the chairman, John Kerry, for their extraordinary cooperation and work on this issue.

It is important for us to make sure that we complete the evaluation process, we finish the debate, and we go ahead and finish this up before the end of the year.

And so I just want to again thank General Powell for his good counsel, his friendship, most importantly his service to our country. And I very much appreciate the fact that he supports an effort that all of us should support in order to make America more safe.

GENERAL POWELL: Thank you very much, Mr. President. Let me begin by thanking you for your support of the America's Promise Alliance and the Grad Nation effort. And also let me take this opportunity to thank Secretary of Education Arne Duncan for the great job that he is doing in making sure that our kids are ready for this 21st century world that is going to be so demanding.

The President noted the issues that we discussed with a particular focus on the New START treaty. I fully support this treaty and I hope that the Senate will give its advice and consent to the ratification of the treaty as soon as possible.

I have been involved, as the President noted, in arms control negotiations and the ratification of arms control negotiations and treaties for the last 25 years. And what is fascinating about this whole process to me is that 25 years ago, the Soviet Union and the United States each had an inventory of something like 28,000, 29,000 nuclear weapons. As a result of the arms control process and the end of the Cold War and change in the world situation, those numbers have been reduced by over 80 percent, so they're down now under 10,000.

One of the reasons we were able to do this in a way that was transparent with both sides confident in the process was because of the arms control agreement—whether it was INF Treaty or START I or START II that were ratified, the Moscow Treaty—so many other

treaties that came along to give us stability, to give us transparency, to give us visibility into what each side was doing. As a result of these treaties we have both benefited—both the Russian Federation now and the United States of America, but the world has benefitted by having fewer of these horrible weapons in existence.

And we hope that we can continue this process. New START is important because it continues this process. And it's especially important because at the end of last year, we lost the verification system that we had under START I. And this is the first time in all these years where we don't have these procedures in place. So we're not sure exactly what's going on within the Russian Federation; they're not exactly sure what's going on in the United States of America.

And I think the most important feature of New START is to put in place the verification regime again. It will be a little different than the START I verification system, but it is more than adequate to make sure that we know what they are doing and they know what we are doing, and it has been so identified as being adequate by our intelligence community.

The number of warheads reduced is modest but nevertheless significant. It continues the downward trend. And so I fully support it.

And you'll see tomorrow morning in—hopefully in *The Washington Post* an op-ed piece signed by me, Secretary Shultz, Secretary Baker and Secretary Kissinger, former Secretaries, then former Secretary Eagleburger that once again shows we as a group of Republican former Secretaries of State believe that this treaty is in the best interest of the United States of America, best interest of the world and frankly the best interest of the Russian Federation.

A good treaty is one that both sides think they have benefited from, and that has been the history of arms control agreements with the Soviet Union and now the Russian Federation.

As the President noted, the Senate has a very important role to play in providing advice and consent on any treaty. And in all the treaties that I've dealt with, I've seen the same kind of process where questions are asked, challenges are made, understandings are examined to make sure that the Senate knows exactly what they are getting into.

And I think some important issues have been raised: the issue of modernization of our nuclear weapons as appropriate. And the President has indicated to the Senate and especially to Senator Kyl that a significant amount of money will be invested in the reliability and modernization of our systems and our facilities. And that was very, very important.

I think I spoke to the verification issues, and I think they're fine. The question has come up as to whether or not missile defense, our missile defense activity, is in any way jeopardized by this treaty. And it is not. Preambulatory language at the beginning of the treaty and other elements within the treaty in no way restrict the United States' ability to do what we think is appropriate with respect to missile defense.

The issue also has come up with respect to theater nuclear weapons, the smaller nuclear weapons that we both have. Mostly the Russian side has them; we have some. And this treaty, nor have any of the other strategic arms control treaties, dealt with that issue.

But if we get this treaty behind us, the administration is committed, the President has made clear, that he wants to enter into a dialogue with the Russian Federation in order to start capturing those systems as well.

And so I'm sorry I missed the meeting the President had with the other Secretaries and national security advisors the week before last, but I'm glad I had this opportunity to share my thoughts with the President.

So I hope that the Senate will move quickly and give its advice and consent to the ratification of this treaty.

THE PRESIDENT: Thank you so much, everybody.

Q —Senate Republicans, what McConnell did today, is that—didn't break the spirit? Didn't break the spirit of yesterday, what Senator McConnell did?

THE PRESIDENT: I am absolutely—I am confident that nobody wants to see taxes on middle-class families go up starting January 1st, and so there's going to be some lingering politics that have to work themselves out in all the caucuses, Democrat and Republican.

But at the end of the day, I think that people of good will can come together and recognize that given where the economy is at right now, given the struggles that a lot of families are still going through right now, that we're going to be able to solve this problem. And I think we got off to a good start yesterday. There are going to be ups and downs to this process, but I'm confident that we're going to be able to get it done. All right?

# Statement by the President after Meeting with Bipartisan Leadership

**Eisenhower Executive Office Building Room 430**

12:50 P.M. EST

THE PRESIDENT: Hello, everybody. By the way, for those of you who are curious, we're using this room because we've got about a hundred volunteers decorating the White House. So we're spending a little more time in the EEOB.

I just wrapped up a meeting with leaders from both parties. It was our first chance to get together face to face since the election to talk about how we can best work together to move the country forward.

It's no secret that we have had differences that have led us to part ways on many issues in the past. But we are Americans first, and we share a responsibility for the stewardship of our nation. The American people did not vote for gridlock. They didn't vote for unyielding partisanship. They're demanding cooperation and they're demanding progress. And they'll hold all of us -- and I mean all of us -- accountable for it. And I was very encouraged by the fact that there was broad recognition of that fact in the room.

I just want to say I thought it was a productive meeting. I thought that people came to it with a spirit of trying to work together. And I think it's a good start as we move forward.

I think everybody understands that the American people want us to focus on their jobs, not ours. They want us to come together around strategies to accelerate the recovery and get Americans back to work. They want us to confront the long-term deficits that cloud

our future. They want us to focus on their safety and security, and not allow matters of urgent importance to become locked up in the politics of Washington.

So today we had the beginning of a new dialogue that I hope — and I'm sure most Americans hope — will help break through the noise and produce real gains. And, as we all agreed, that should begin today because there's some things we need to get done in the weeks before Congress leaves town for the holidays.

First, we should work to make sure that taxes will not go up by thousands of dollars on hardworking middle-class Americans come January 1st, which would be disastrous for those families but also could be crippling for the economy. There was broad agreement that we need to work to get that resolved before the end of the year.

Now, there's still differences about how to get there. Republican leaders want to permanently extend tax cuts not only to middle-class families but also to some of the wealthiest Americans at the same time. And here we disagree. I believe, and the other Democrats who were in the room believe that this would add an additional \$700 billion to our debt in the next 10 years. And I continue to believe that it would be unwise and unfair, particularly at a time when we're contemplating deep budget cuts that require broad sacrifice.

Having said that, we agreed that there must be some sensible common ground. So I appointed my Treasury Secretary, Tim Geithner, and my budget director, Jack Lew, to work with representatives of both parties to break through this logjam. I've asked the leaders to appoint members to help in this negotiation process. They agreed to do that. That process is beginning right away and we expect to get some answers back over the next couple of days about how we can accomplish our key goal, which is to make sure the economy continues to grow and we are putting people back to work. And we also want to make sure that we're giving the middle class the peace of mind of knowing that their taxes will not be raised come January 1st.

I also urged both parties to move quickly to preserve a number of other tax breaks for individuals and businesses that are helping our recovery right now and that are set to expire at the end of the year. This includes a tax credit for college tuition, a tax credit for 95 percent—a tax break for 95 percent of working families that I initiated at the beginning of my presidency, as well as a tax cut worth thousands of dollars for businesses that hire unemployed workers.

We discussed a number of other issues as well, including the importance of ratifying the New START treaty so we can monitor Russia's nuclear arsenal, reduce our nuclear weapons, and strengthen our relationship with Russia. I reminded the room that this treaty has been vetted for seven months now; it's gone through 18 hearings; it has support from senators of both parties; it has broad bipartisan support from national security advisors and secretaries of defense and secretaries of state from previous administrations, both Democrat and Republican; and that it's absolutely essential to our national security. We need to get it done.

We also talked about the work of the bipartisan deficit reduction commission and the difficult choices that will be required in order to get our fiscal house in order. We discussed working together to keep the government running this year — and running in a fiscally responsible way. And we discussed unemployment insurance, which expires today. I've asked that Congress act to extend this emergency relief without delay to folks who are facing tough times by no fault of their own.

Now, none of this is going to be easy. We have two parties for a reason. There are real philosophical differences — deeply held principles to which each party holds. And although the atmosphere in today's meeting was extremely civil, there's no doubt that those differences are going to remain no matter how many meetings we have. And the truth is there's always going to be a political incentive against working together, particularly in the current hyperpartisan climate. There are always those who argue that the best strategy is simply to try to defeat your opposition instead of working with them.

And, frankly, even the notion of bipartisanship itself has gotten caught up in this mentality. A lot of times coming out of these meetings, both sides claim they want to work together, but try to paint the opponent as unyielding and unwilling to cooperate. Both sides come to the table; they read their talking points; then they head out to the microphones -- trying to win the news cycle instead of solving problems, and it becomes just another move in an old Washington game.

But I think there was recognition today that that's a game that we can't afford. Not in these times. And in a private meeting that I had without staff—without betraying any confidences—I was pleased to see several of my friends in the room say, let's try not to duplicate that. Let's not try to work the Washington spin cycle to suggest that somehow the other side is not being cooperative. I think that there was a sincere effort on the part of everybody involved to actually commit to work together to try to deal with these problems.

And they understand that these aren't times for us to be playing games. As I told the leaders at the beginning of the meeting, the next election is two years away, and there will be plenty of time for campaigning. But right now we're facing some very serious challenges. We share an obligation to meet them. And that will require choosing the best of our ideas over the worst of our politics.

So that's the spirit in which I invited both parties here today. I'm happy with how the meeting went. And I told all the leadership that I look forward to holding additional meetings, including at Camp David.

Harry Reid mentioned that he's been in Congress for 28 years; he's never been to Camp David. And so I told him, well, we're going to have to get them all up there sometime soon.

And I very much appreciate their presence today. I appreciate the tenor of the conversations. I think it will actually yield results before the end of the year, and I look forward to continuing this dialogue in the months ahead.

Thank you very much, everybody.

# Remarks by the President on the Federal Employee Pay Freeze

## **Eisenhower Executive Office Building**

12:05 P.M. EST

THE PRESIDENT: Hello, everybody. Good morning, everybody. Let me begin by pointing out that although Washington is supposed to be a town of sharp elbows, it's getting a little carried away. For those of you who are worried about my lip, I should be okay. The doctor has given me a clean bill of health, and I will continue to be playing basketball whenever I get a chance. In fact, I played yesterday with Sasha and Malia and they took it easy on me because they were feeling pity.

I hope everybody had a great Thanksgiving, but now it's time to get back to work. Congress is back in town this week. And I'm looking forward to sitting down with Republican leaders tomorrow to discuss many issues—foremost among them the American people's business that remains to be done this year. My hope is that tomorrow's meeting will mark a first step towards a new and productive working relationship. Because we now have a shared responsibility to deliver for the American people on the issues that define not only these times but our future—and I hope we can do that in a cooperative and serious way.

Our two most fundamental challenges are keeping the American people safe and growing our economy—and it's in that spirit that I look forward to sitting down tomorrow and talking about urgent matters like the ratification of the New START treaty, which is so

essential to our safety and security; and the status of the Bush-era tax cuts that are set to expire at the end of this year. And this is just one of the many economic issues we've got to tackle together in the months ahead.

As I said a few weeks ago, the most important contest of our time is not the contest between Democrats and Republicans; it's between America and our economic competitors all around the world. Winning that contest means that we've got to ensure our children are the best educated in the world; that our research and development is second to none; and that we lead the globe in renewable energy and technological innovation.

It also means making sure that in the future we're not dragged down by long-term debt. This is a challenge that both parties have a responsibility to address—to get federal spending under control and bring down the deficits that have been growing for most of the last decade.

Now, there's no doubt that if we want to bring down our deficits, it's critical to keep growing our economy. More importantly, there's still a lot of pain out there, and we can't afford to take any steps that might derail our recovery or our efforts to put Americans back to work and to make Main Street whole again. So we can't put the brakes on too quickly. And I'm going to be interested in hearing ideas from my Republican colleagues, as well as Democrats, about how we continue to grow the economy and how we put people back to work.

But we do have to correct our long-term fiscal course. And that's why earlier this year I created a bipartisan deficit commission that is poised to report back later this week with ideas that I hope will spark a serious and long-overdue conversation in this town. Those of us who have been charged to lead will have to confront some very difficult decisions, cutting spending we don't need in order to invest in the things that we do.

As President, I'm committed to doing my part. From the earliest days of my administration, we've worked to eliminate wasteful spending and streamline government. I promised to go through the budget line by line to eliminate programs that have outlived their usefulness, and in each of the budgets I've put forward so far, we've proposed approximately \$20 billion in savings through shrinking or ending more than 120 such programs.

I've also set goals for this government that we're on track to meet: reducing improper payments by \$50 billion, saving \$40 billion in contracting, and selling off \$8 billion of unneeded federal land and buildings.

I've also proposed a three-year freeze on all non-security discretionary spending—a step that would bring that spending to its lowest level as a share of the economy in 50 years. And we've brought unprecedented transparency to federal spending by placing all of it online at [USAspending.gov](http://USAspending.gov) and [Recovery.gov](http://Recovery.gov), so Americans can see how their tax dollars are spent.

The hard truth is that getting this deficit under control is going to require broad sacrifice. And that sacrifice must be shared by the employees of the federal government.

After all, small businesses and families are tightening their belts. Their government should, too. And that's why, on my first day as President, I froze all pay for my senior staff. This year I've proposed extending that freeze for senior political appointees throughout the government and eliminating bonuses for all political appointees.

And today I'm proposing a two-year pay freeze for all civilian federal workers. This would save \$2 billion over the rest of this fiscal year and \$28 billion in cumulative savings over the next five years. And I want to be clear: This freeze does not apply to the men and women of our Armed Forces, who along with their families continue to bear enormous burdens with our nation at war.

I did not reach this decision easily. This is not just a line item on a federal ledger. These are people's lives. They're doctors and nurses who care for our veterans; scientists who search for better treatments and cures; men and women who care for our national parks

and secure our borders and our skies; Americans who see that the Social Security checks get out on time, who make sure that scholarships comes through, who devote themselves to our safety. They're patriots who love their country and often make many sacrifices to serve their country.

In these challenging times, we want the best and brightest to join and make a difference. But these are also times where all of us are called on to make some sacrifices. And I'm asking civil servants to do what they've always done—play their part.

Going forward, we're going to have to make some additional very tough decisions that this town has put off for a very long time. And that's what this upcoming week is really about. My hope is that, starting today, we can begin a bipartisan conversation about our future, because we face challenges that will require the cooperation of Democrats, Republicans and Independents. Everybody is going to have to cooperate. We can't afford to fall back onto the same old ideologies or the same stale sound bites. We're going to have to budge on some deeply held positions and compromise for the good of the country. We're going to have to set aside the politics of the moment to make progress for the long term. And as I've often said, we're going to have to think not just about the next election, but about the next generation, because if there's anything the American people said this month, it's that they want their leaders to have one single focus: making sure their work is rewarded so that the American Dream remains within their reach. It would be unwise to assume they prefer one way of thinking over another. That wasn't the lesson that I took when I entered into office, and it's not the lesson today.

So while our ideas may be different, our goals must be the same—growing this economy, putting people back to work, and securing the dream for all who work for it; to summon what's best for each of us to make lives better for all of us. And that's why we are here and that's why we serve. That's how we've moved this country forward in the past—and I'm absolutely confident that that is how we are going to move this country forward once again.

Thank you very much, everybody.

# Remarks by the President and Vice President to Chrysler Plant Workers in Kokomo, Indiana

## **Chrysler Indiana Transmission Plant, Kokomo, Indiana**

2:00 P.M. EST

THE VICE PRESIDENT: Hello, folks, how are you? (Applause.) Good to see you all. Good to be back in an automobile plant, making things. (Applause.) Hey, thank you all very much. We're delighted to be here and I expect as delighted as you are to be able to be here. (Laughter.)

Look, when the President and I got elected we knew we had a heavy load to carry. The country was in some real tough shape. And we stepped up, and with the help of some of—all the congressmen, the senators here, we passed the Recovery Act just after taking office, in the midst of the worst economic crisis since the Great Depression.

And we had three clear goals, led by the President. One is help communities and people who were hit the hardest, hit the hardest by this awful recession. Save and create jobs today, but also lay a foundation for long-term prosperity in the future. Because more than—a year after implementing this act, I can say proudly that not only have we helped millions of people, but—not only have we created millions of jobs, not only have we spurred growth in new industries, but we have completely transformed, with the great leadership of the local and state leadership here, communities like this one here in Kokomo. (Applause.)

Look, I'm the son of an automobile man, and I want to tell you he managed automobile facilities for my entire life. And Kokomo, anybody in the automobile business has already known, was one of the great auto towns in America—not only making Chrysler automobiles but Delphi, supplying parts and so many other suppliers, and all the related jobs that go with that.

To bring Kokomo back, to bring the automobile industry back, we knew we had to change things. We couldn't just keep doing the things the way we did. We knew the auto industry had to get leaner, had to get tougher, had to be more competitive. And we insisted that they did. And now you see the result—an old industry adapting to a whole new era, competing again, leading again, and most importantly, hiring again. Hiring again. (Applause.)

Mr. President, I know you know this, but the last year of the last outfit we succeeded, they lost 461,000 automobile-related jobs. And so far we've created almost 75,000 new jobs, and a lot more to come.

And, folks, look, the government didn't do this. The government didn't do this alone. The government did what it was supposed to do. With the leadership of a President and leadership from the President, we had investment from the private sector brought onboard because the government was able to get back in the game and said we're part of it. The auto industry has roared back in America.

Now, I was telling the boss over here that the thing I like most about everything—again, being the son of an automobile man—is that my dad would be happy. For the first time in 24 years—Americans like your product better than they like foreign products that are made here. (Applause.) That's a big deal. That's a big deal. (Applause.)

Look around here. Look around here. For every one guy working here in the assembly line, there's five more doing exactly what you're doing. Everybody thinks it's only the assembly plants. Well, there's five people working at plants like this for every single job in the automobile assembly line. It's a big, big process. People working in places like here and Delphi Suppliers, making parts was a major part of this recovery.

And then when you guys have jobs, guess what happens. The coffee shop stays open. The barbershop stays open. The restaurant stays open. People open new businesses downtown. People sell jackets and shoes and hats. People, in fact, have jobs. This has an effect all the way through the economy.

And that's what's happening here in Kokomo, as your mayor can tell you. The lunch counter needs a few more waitresses and servers to feed them. The remodeled plant can reinvigorate an entire community and give people who don't work here hope. The people who don't work here. We were just in town. People were saying, thank you. They don't work here. They're saying thank you for this facility.

But we can't just build a new economy by revitalizing and modernizing an old industry. We can't stop at creating new jobs in old industries. We need to create whole new industries, as well. And that's what the President did. A great example is over in Tipton, AboundSolar—whole new industry. There's no reason why you can't build the best automobiles in the world and also be a leader in what the new industries—the new green industries in the world are going to be.

The President did what every great President has done in the past. He's looked to the future. We used the Recovery Act to provide seed money that sparked private investment—private investment in new industries like solar and wind, advanced batteries, high-efficiency lighting, high-speed rail.

Folks, some of our friends forget, that's what all great Presidents did. Lincoln did it when he built the Transcontinental Railroad by putting down seed money to the railroads to go build it. That's—we're doing the same thing here again.

Every great President has a vision. And now we're doing it here. We're doing it here with the renewable energy investments that are being made outside the city, with the new industries of the future. And in a sense, there's a whole new automobile industry building a different kind of automobile.

Mr. President, my dad used to have a saying when he was—ran automobile dealerships of almost four decades. He said, Joey, all they got to do is give me product. Give me product. Give me product, I can sell it. I can—you're giving them the best product in the world again.

We also believe we can't have a strong economy without strong communities. And that's why the President in the Recovery Act made sure we helped hard-hit towns like Kokomo. We now—we were just at the fire station. There's 13 firefighters still on the job because of the Recovery Act and because of the SAFER Act. Teachers, law enforcement officers on the job.

When I tell you an international recession hits and a worldwide recession, guess what. A town like Kokomo and other towns of 50,000 all across America, they can't do it on their own. You got to help them stand up a little bit. And that's why we helped with infrastructure and roads, to bring improvements, to bring back Main Street, to bring it back to life.

Kokomo is in the forefront of it all. And nowhere is it written that Kokomo can't be the hub of innovation in emerging industries of the 21st century—like it was in the 20th century. (Applause.) Nowhere is that written.

Look, nobody knows better than this man that our work certainly isn't done yet. We're just starting. But it's important we recognize success stories like Kokomo as signs that we are definitely moving in the right direction. This town and its people are a model for others looking to do the same thing over and over again in this country. You guys here have been the embodiment of the limitless potential when we put government and the private sector and the community all together, working toward the same end—a community built—this community—this community is built on grit and determination, a willingness for you all to fight hard, to pick yourself back up off the mat and to march toward what you all believe now—I believe, I hope you do—is a better day, a brighter future, a new start.

We know it's a long road back. But we know we're on the road. And the one most important thing we've got to communicate to the

nation and to everyone listening is we can't stop now. We can't turn around. We're heading in the right direction.

Kokomo is coming back. America is coming back. And it couldn't have happened without the vision of the man sitting behind me.

Ladies and gentlemen, the President of the United States, Barack Obama. (Applause.)

THE PRESIDENT: Thank you. Thank you, everybody. Thank you. (Applause.) Everybody have a seat. Thank you so much. Thank you, Joe. Thank you, Kokomo. I have to just say, by the way, Joe is not only one of the best Vice Presidents in history. He's also one of the best introducers in history. (Laughter.) I try to take him wherever I can.

I want to thank your plant manager, Jeremy Keating, for the great tour and the great work that he's doing here. (Applause.) He is proud of the work that's being done at this plant. I want to thank your local UAW president, Richie Boruff, who's here -- (applause)—thank them for showing me around.

A couple other hotshots—U.S. Senator Evan Bayh is here. (Applause.) Congressman Joe Donnelly is in the house. (Applause.) Congressman Andre Carson is here. (Applause.) Congressman Baron Hill is here. (Applause.) By the way, Congressman Baron Hill is in the Indiana Basketball Hall of Fame. Now, that's pretty cool. Being a congressman is cool; being in the Basketball Hall of Fame in Indiana—that's something.

Mayor of Kokomo, Greg Goodnight, is here, doing outstanding work. (Applause.) The CEO of Chrysler Group, Sergio Marchionne, is here. (Applause.) President of UAW, Bob King, is in the house. (Applause.)

We've got some of the best workers in the United States of America right here at this plant. (Applause.) And I had a chance to meet some of you as we were going around seeing these amazing transmissions that you're building. And I was very happy to hear that after a couple of tough years, this plant is now running at full capacity. And that's why I'm here today. (Applause.) That's why I'm here today.

Now, we all know that one plant by itself doesn't mean that there aren't people in Kokomo who are still hurting. I had lunch with the mayor and some firefighters, and there's still a long way to go. The mayor has got all kinds of great plans, and there are businesses that are looking to start expanding. But the fact is there are millions of people around the country who are still looking for work in the wake of the worst recession in our lifetimes. I don't have to tell you that. Many of you still have friends or neighbors, a husband or a wife who is still struggling.

And I know that before this plant started rehiring, a lot of you were in the same position, so you remember that it is a tough, tough thing when you're out of work, especially when you've taken a lifetime of pride in working and supporting a family and making great products.

But even as we continue to face serious challenges, what's happening here at this plant -- the changes we're seeing throughout Kokomo -- are signs of hope and confidence in the future—in our future, together. You're showing us the way forward. You're living up to that spirit of optimism and determination -- that grit -- that's always been at the heart of who we are as a people, at the heart of America.

I remember coming to Kokomo a little over two years ago. Joe will remember this. Some of you might have been here. What was happening here reflected what was happening all over the country, all over this region. For a decade or more, families had felt a growing sense of economic insecurity. A lot of manufacturing had left the area. And then a recession started taking hold, and folks were seeing job losses and facing new hardships.

That was before anybody knew how devastating the recession was going to be. So by the time I took office, just a few months later, the financial crisis had hit, the auto industry teetered on the brink, and we were losing millions of jobs.

And that left Joe and I with some tough choices. One was to help the auto industry restructure. And that wasn't an easy call. I understood that there were some reservations of those who said that the industry should pay a price for some poor decisions by the part of management. But we also knew that millions of jobs hung in the

balance. We also knew that the very survival of places like Kokomo were on the line. And we knew that the collapse of the American auto industry would lead to an even deeper disaster for our economy.

And you know what, we also believed that America, which popularized the automobile, whose middle class was made on the basis of manufacturing—that we couldn't just give up. We couldn't throw in the towel. That was not an option.

There were those who were prepared to give up on Kokomo and our auto industry. There were those who said it was going to be too difficult, or that it was bad politics, or it was throwing good money after bad. You remember the voices arguing for us to do nothing. They were pretty loud, suggesting we should just step back and watch an entire sector of our economy fall apart.

But we knew that the auto industry was not built, and this country was not built, by doing the easy thing. It wasn't built by doing nothing. It was built by doing what was necessary even when it's difficult. So we made the decision to stand behind the auto industry—if auto-makers, if CEOs like Sergio were willing to do what was necessary to make themselves competitive in the 21st century, and if they have the cooperation of workers who were taking pride in the products that they made.

We made the decision to stand with you because we had confidence in the American worker, more than anything. And today we know that was the right decision. (Applause.) We know that was the right decision.

Today each of the Big Three automakers has increased their market share—each of them. For the first time in over a decade, Americans are buying a larger share of Chryslers, Fords and G.M. cars, and a smaller share of their foreign counterparts—for the first time in decades. (Applause.)

We're coming back. We're on the move. All three American companies are profitable, and they are growing. Some of you read last week, G.M.'s stock offering exceeded expectations as investors expressed their confidence in a future that seemed so dim just 18 months

ago. And as a result, the Treasury was able to sell half of its G.M. stock.

So here's the lesson: Don't bet against America. (Applause.) Don't bet against the American auto industry. Don't bet against American ingenuity. Don't bet against the American worker. Don't bet against us. (Applause.) Don't bet against us. (Applause.)

Don't bet against us. This plant is a shining example of why you shouldn't. Two years ago, production here was plummeting. A lot of folks had lost their jobs. Today, this plant is coming back. The company has invested more than \$300 million in this factory to retool. (Applause.)

But it gets better. Sergio just told me today Chrysler is announcing an additional investment of more than \$800 million in its Kokomo facilities—\$800 million. (Applause.) That's good. That's good news. (Applause.) That's real money, \$800 million. (Laughter.) See, the mayor has got a big grin on his face. (Laughter.) You're pretty happy about that. (Laughter.) Over the next few years, folks here expect to manufacture more transmissions than ever before. And as a result, hundreds of workers are back on the job. Jeremy said we're going to be hiring more. (Applause.)

This includes—I'm going to name a couple of people just to embarrass them a little bit. Where is Sharon Ybarra? Is Sharon here? Right here. (Applause.) Sharon lost her job of 20 years at a paper mill. She was only able to find work that paid her far less than her old job -- until she was hired by Chrysler. And now she is doing a great job right here at Chrysler. We're proud of you. (Applause.)

Jim Faurote is here. Where's Jim? Jim's right next to her. (Applause.) Jim worked for Chrysler for a decade—right? Then he lost his job when the plant he worked at in New Castle shut down. Over the next few years, he could only find intermittent work on and off. It wasn't until after the restructuring that he was able to have a job he could count on. He's been back at work now for more than a year doing an outstanding job, making great products here at Chrysler. (Applause.)

At a plant down the road, workers are manufacturing parts for hybrid vehicles. That's already led to dozens of jobs, and will lead to nearly 200 jobs over the next few years. A few miles outside of Kokomo, in Tipton, a clean energy company called Abound is going to be able to hire 900 workers — taking over a plant that had to shut down a few years ago.

So a factory that was empty and dark will come back to life. And when people have a paycheck, as Joe said, they can go to the store, they're able to spend. That helps the economy grow. And so on Main Street in Kokomo we're seeing a revival, with new businesses opening downtown.

So, for anybody who says our country's best days are behind us, anybody who would doubt our prospects for the future, anybody who doesn't believe in the Midwest, anybody who doesn't believe in manufacturing—have them come to Kokomo. Have them come to Kokomo. (Applause.) Come here. Meet these workers. Visit these plants. Come back to this city that's fighting block by block, business by business, job by job. (Applause.)

This is a reminder of what we do as Americans. What we can do as Americans when we come together, when we're not divided; we're not spending all our time bickering, but instead focusing on getting the job done. We don't give up. We don't turn back. We fight for our future.

No, we're not out of the woods yet. It took a lot of years to get us into this mess. It will take longer than anybody would like to get us out. But I want everybody to be absolutely clear, we are moving in the right direction. (Applause.) We learned that the economy—we learned today that the economy is growing at a faster pace than we previously thought. That's welcome news. But we're going to keep on making it grow faster. We're going to keep on creating more jobs. We need to do everything we can to make that happen.

That's why in the coming days it is so important, the coming months it's so important, that Democrats and Republicans work together to speed up our recovery. We've got to put aside our differences. The election is over. We've got to find places where we can

agree. We've got to remember the most important contest we face, it's not between Democrats and Republicans. It's between America and our economic competitors. Other nations are already making investments—(applause)—other nations are making investments in education, energy and infrastructure, technology, because they know that's how they're going to be able to attract the new jobs of the future. And throughout our history, Democrats and Republicans have agreed on making these investments.

If we don't want to cede our economic leadership to nations like China, we've got to do the same today. We've got to make sure our workers have the skills and the training to compete with any workers in the world. We should give our businesses more incentive to invest in research and innovation that leads to new jobs and new products and new industries like the ones we're seeing here in Kokomo. We should make it easier, not harder, for middle-class families to get ahead.

I'll give you an example—on taxes. Next year, taxes are set to go up for middle-class families unless Congress acts. If we don't act by the end of the year, a typical middle-class family will wake up on January 1st to a tax increase of \$3,000 per year.

So, in the next few weeks, I'm asking Congress to take up this issue. The last thing we can afford to do right now is raise taxes on middle-class families. (Applause.) If we allow these taxes to go up, the result would be that a lot of people most likely would spend less, and that means that the economy would grow less. So we ought to resolve this issue in the next couple of weeks so you've got the assurance that your taxes won't go up when that clock strikes midnight.

Now, this is actually an area where Democrats and Republicans agree. The only place where we disagree is whether we can afford to also borrow \$700 billion to pay for an extra tax cut for the wealthiest Americans, for millionaires and billionaires. I don't think we can afford it right now -- not when we are going to have to make some tough decisions to rein in our deficits. That's going to require sacrifice from all Americans, including those who can most afford it.

So I'm eager to sit down with leaders from both parties next week and to hammer this out. But we need to hammer it out.

You know, long before transmissions were coming off the line at this plant — and by the way, you look at these transmissions today and somebody 20 years ago or 10 years ago might not recognize them—they're amazing. Before Henry Ford built the Model T or Walter Chrysler took up the reins at a start-up called Buick, a man by the name of Elwood Haynes decided to do a little experiment right in Kokomo. (Applause.)

He set up a one-horsepower boat engine on his kitchen; he bolted it to the ground. His idea was that he might be able to rig the motor to a carriage. So he starts it up—and the engine worked great. In fact, it worked so well that it came loose from the bolts and destroyed the kitchen floor. And after a brief and what I imagine was a difficult conversation with his wife—(laughter)—Elwood decided to continue his tests in his machine shop. And he toiled for months. But when he was finished, he had completed one of the earliest working automobiles ever built in America. And he named it the Pioneer.

So Kokomo has a storied place in our history. This is a city where people came to invent things and to build things, to make things here in America; to work hard in the hopes of producing something of value and something that people could be proud of.

That's the legacy of all of you. You are all heirs to that tradition right here at this plant. That's the legacy that has made this country the envy of the world. (Applause.) And I am absolutely convinced this legacy is one you will continue to uphold for years and decades to come.

Congratulations, Chrysler. Congratulations, Kokomo. Proud of you. (Applause.)

# Press Conference of the President after NATO Summit

Feria Internacional de Lisboa, Lisbon, Portugal  
4:47 P.M. WET

PRESIDENT OBAMA: Good afternoon, everyone. We have just concluded an extremely productive NATO summit, and I want to thank our hosts, the government and the people of Portugal, for their hospitality in this beautiful city of Lisbon. And I thank my fellow leaders for the sense of common purpose that they brought to our work here.

For more than 60 years, NATO has proven itself as the most successful alliance in history. It's defended the independence and freedom of its members. It has nurtured young democracies and welcomed them into Europe that is whole and free. It has acted to end ethnic cleansing beyond our borders. And today we stand united in Afghanistan, so that terrorists who threaten us all have no safe haven and so that the Afghan people can forge a more hopeful future.

At no time during these past six decades was our success guaranteed. Indeed, there have been many times when skeptics have predicted the end of this alliance. But each time NATO has risen to the occasion and adapted to meet the challenges of that time. And now, as we face a new century with very different challenges from the last, we have come together here in Lisbon to take action in four areas that are critical to the future of the alliance.

First, we aligned our approach on the way forward in Afghanistan, particularly on a transition to full Afghan lead that will begin in early 2011 and will conclude in 2014.

It is important for the American people to remember that Afghanistan is not just an American battle. We are joined by a

NATO-led coalition made up of 48 nations with over 40,000 troops from allied and partner countries. And we honor the service and sacrifice of every single one.

With the additional resources that we've put in place we're now achieving our objective of breaking the Taliban's momentum and doing the hard work of training Afghan security forces and assisting the Afghan people. And I want to thank our allies who committed additional trainers and mentors to support the vital mission of training Afghan forces. With these commitments I am confident that we can meet our objective.

Here in Lisbon we agreed that early 2011 will mark the beginning of a transition to Afghan responsibility, and we adopted the goal of Afghan forces taking the lead for security across the country by the end of 2014. This is a goal that President Karzai has put forward.

I've made it clear that even as Americans transition and troop reductions will begin in July, we will also forge a long-term partnership with the Afghan people. And today, NATO has done the same. So this leaves no doubt that as Afghans stand up and take the lead they will not be standing alone.

As we look ahead to a new phase in Afghanistan, we also reached agreement in a second area—a new strategic concept for NATO that recognizes the capabilities and partners that the alliance needs to meet the challenges of the 21st century. I want to give special thanks to Secretary General Rasmussen for his outstanding leadership in forging a vision that preserves the enduring strengths of the alliance while adapting it to meet the missions of the future.

As I said yesterday, we have reaffirmed the central premise of NATO—our Article V commitment that an attack on one is an attack on all. And to ensure this commitment has meaning, we agreed to take action in a third area: to modernize our conventional forces and develop the full range of military capabilities that we need to defend our nations.

We'll invest in technologies so that allied forces can deploy and operate together more effectively. We'll deploy new defenses against threats such as cyber attacks. And we will reform alliance command

structures to make them more flexible and more efficient. Most important, we agreed to develop a missile defense capability for NATO territory, which is necessary to defend against the growing threat from ballistic missiles.

The new approach to European missile defense that I announced last year—the phased adaptive approach—will be the United States contribution to this effort and a foundation for greater collaboration. After years of talk about how to meet this objective, we now have a clear plan to protect all of our allies in Europe as well as the United States.

When it comes to nuclear weapons, our strategic concept reflects both today's realities as well as our future aspirations. The alliance will work to create the conditions so that we can reduce nuclear weapons and pursue the vision of a world without them. At the same time, we've made it very clear that so long as these weapons exist, NATO will remain a nuclear alliance, and the United States will maintain a safe, secure and effective nuclear arsenal to deter—deter adversaries and guarantee the defense of all our allies.

Finally, we agreed to keep forging the partnership beyond NATO that helped make our alliance a pillar of global security. We'll continue to enhance NATO's cooperation with the EU—which I will talk about in my summit later this afternoon with EU leaders. After a two-year break, we are also resuming cooperation between NATO and Russia.

I was very pleased that my friend and partner, President Dmitri Medvedev, joined us today at the NATO-Russia Council Summit. Together we've worked hard to reset the relations between the United States and Russia, which has led to concrete benefits for both our nations. Now we're also resetting the NATO-Russia relationship. We see Russia as a partner, not an adversary. And we agreed to deepen our cooperation in several critical areas: on Afghanistan, counter-narcotics, and a range of 21st-century security challenges. And perhaps most significantly, we agreed to cooperate on missile defense, which turns a source of past tension into a source of potential cooperation against a shared threat.

So overall, this has been an extremely productive two days. We came to Lisbon with a clear task, and that was to revitalize our alliance to meet the challenges of our time. That's what we've done here.

Of course, it's work that cannot end here. And so I'm pleased to announce that the United States will host the next NATO summit in 2012—a summit that will allow us to build on the commitments that we've made here today as we transition to full Afghan lead, build new capabilities, expand our partnerships, and ensure that the most successful alliance in history will continue to advance our security and our prosperity well into the future.

And I said to Prime Minister Socrates that considering he has thrown such a successful summit here in Lisbon, I've been taking notes. You set a very high bar of outstanding hospitality, and so I appreciate everything that the people of Portugal have done, and we will try to reciprocate that hospitality when we host in 2012.

So with that, let me take some questions. And I'm going to start with Margaret Warner of PBS. Margaret, why don't you get a microphone.

Q Thank you, Mr. President. What message do you hope this summit sends to Senator Jon Kyl and other Republicans in the Senate who are resisting voting on and ratifying START in the lame duck session?

PRESIDENT OBAMA: Well, a couple of messages that I just want to send to the American people. Number one, I think that Americans should be proud that an alliance that began 60 years ago, through the extraordinary sacrifices, in part, of American young men and women, sustained throughout a Cold War, has resulted in a Europe that's more unified than it's ever been before, that is an extraordinarily strong ally of the United States, and that continues to be a cornerstone of prosperity not just for the United States and Europe but for the world. This is a direct result of American efforts and American sacrifice. And I think the world appreciates it.

The second message I want to send is that after a period in which relations between the United States and Europe were severely strained, that strain no longer exists. There are occasions where there may be disagreements on certain tactical issues, but in terms of a broad vision of how we achieve transatlantic security that alliance has never been stronger. And that's something that Americans should feel good about.

Number three, I think the Americans should know that American leadership remains absolutely critical to achieving some of these important security objectives. And I think our European partners would be the first to acknowledge that.

What we ratified here today is the direct result of work that we've done over the last two years to get to this point. And just to take the example of Afghanistan. I think that if you said even a year ago or even maybe six months ago that we would have a unified approach on the part of our allies to move forward in Afghanistan with a sustained commitment where we actually increased the resources available and closed the training gap in order to be successful, I think a lot of skeptics would have said that's not going to happen. It has happened, in part because we have rebuilt those strong bonds of trust between the United States and our allies.

The fourth thing—and this finally goes to your specific question—unprompted, I have received overwhelming support from our allies here that START—the New START treaty—is a critical component to U.S. and European security. And they have urged both privately and publicly that this gets done.

And I think you've seen the comments of a wide range of European partners on this issue, including those who live right next to Russia, who used to live behind the Iron Curtain, who have the most cause for concern with respect to Russian intentions and who have uniformly said that they will feel safer and more secure if this treaty gets ratified—in part, because right now we have no verification mechanism on the ground with respect to Russian arsenals. And Ronald Reagan said, trust but verify—we can't verify right now.

In part because, as a consequence of the reset between the United States and Russia, we have received enormous help from the Russians in instituting sanctions on Iran that are tougher than anything we've seen before. We have transit agreements with Russia that allows us to supply our troops. There are a whole range of security interests in which we are cooperating with Russia and it would be a profound mistake for us to slip back into mistrust as a consequence of our failure to ratify.

And the third reason is that with the Cold War over, it is in everybody's interests to work on reducing our nuclear arsenals, which are hugely expensive and contain the possibilities of great damage, if not in terms of direct nuclear war, then in terms of issues of nuclear proliferation.

So we've got our European allies saying this is important. We've got the U.S. military saying this is important. We've got the national security advisors and the secretaries of defense and generals from the Reagan administration, the Bush administration—Bush one and Bush two—as well as from the Clinton administration and my administration saying this is important to our national security. We've got the Republican chairman of the Foreign Relations Committee saying this is in our national interest to get done now. This is an issue that traditionally has received strong bipartisan support. We've gone through 18 hearings; we've answered 1,000 questions. We have met the concerns about modernizing our nuclear stockpile with concrete budget numbers.

It's time for us to go ahead and get it done. And my hope is that we will do so.

There's no other reason not to do it than the fact that Washington has become a very partisan place. And this is a classic area where we have to rise above partisanship. Nobody is going to score points in the 2012 election around this issue, but it's something that we should be doing because it helps keep America safe. And my expectation is, is that my Republican friends in the Senate will ultimately conclude that it makes sense for us to do this.

All right—Karen DeYoung. There's a mic coming, Karen.

Q Thank you, Mr. President. I wonder if you could talk to us a bit about your conversation with President Karzai. He has made some complaints recently, part of a long line of complaints. Did he raise those with you and did you address them correctly—directly? Has he stepped back from his call to reduce the military footprint there? Thank you.

PRESIDENT OBAMA: Well, Karen, I want to put your question in the context of what's taken place this weekend here in Lisbon. President Karzai is the head of a government of a sovereign nation that has gone through 30 years of war, and, understandably, he is eager to reassert full sovereignty, including control of security operations within his country. At the same time, the United States and all of our ISAF allies have every interest in wanting to turn over responsibility—security responsibility—to Afghan forces as soon as is practicable.

So in that sense, our interests align. And the 2014 date that was stated in the document coming out of this summit and was widely agreed to didn't simply come from us; it wasn't an arbitrary date. This is a date that President Karzai identified as a appropriate target for when Afghans could take over full responsibility.

Now, between now and 2014, our constant effort is going to be to train up Afghan security forces so that they can take more and more responsibility. That's what transition is all about. And during that time, President Karzai, in his eagerness to accelerate that transition, is going to be interested in reducing our footprint, finding ways that Afghans can take more responsibility. And those are things that we welcome. We want him to be assertive as possible in moving towards Afghan responsibility. But in that transition there are also going to be a whole series of judgment calls and adjustments that are necessary to make that effective.

So, for example, President Karzai raised concerns about private security contractors and what he perceived as heavy-handedness on the part of these contractors in Afghanistan. I think that concern is perfectly appropriate. On the other hand, what I've told him in the past and I repeated in our meeting today is I can't send U.S. aid

workers or civilians into areas where I can't guarantee their safety. So, theoretically, it would be nice if I could just send them in and they could help build a road or construct a school or engage in an irrigation project without a full battalion around them, but I have to think practically. And so we're going to have to balance the issues of being sensitive to our footprint with the need to get certain objectives done.

Now, I've instituted ongoing conversations with President Karzai. I talk to him by videoconference at least once every six weeks or so. Secretary Clinton, Secretary Gates are in constant communications with him. General Petraeus, Karl Eikenberry are in constant communications with him.

And what I've communicated to President Karzai is two things: Number one, we have to make sure that we understand our objectives are aligned, the endpoint that we want to reach is the same. And number two, we have to be in good enough communications with each other that when issues come up that raise sensitivities about Afghan sovereignty, that may alienate Afghan populations, that we should be sensitive to them and we will be listening to him.

At the same time, he's got to be sensitive to our concerns about the security of our personnel; about making sure that taxpayer dollars from the United States or other ISAF countries or other partners aren't being wasted as a consequence of corruption; that sacrifices that are being made by our military to clear out areas are reinforced by good governance practices on the part of the Afghans so that we're not just clearing an area but unable to hold it because people have no confidence in, for example, the administration of justice in that area through Afghan government structures.

So that's going to be a constant conversation. I don't think it's going to go away immediately, but what we're trying to do is make sure that our goals are aligned, and then work through these problems in a systematic way.

I will say that for all the noise that has existed in the press, the fact of the matter is over the last year we've made progress. And I expect that we're going to make more progress next year and it will not be without occasional controversies and occasional differences.

Adam Entous, *Wall Street Journal*. Adam is back there.

Q To follow up on the last question, Mr. Karzai is the President of the country. If he makes a request, why isn't that good enough and why wouldn't there be a change of course? And on—just to—on—we're getting close to December, excuse me. Do you think the strategy, the search strategy, is working? And do you think, at this point, that you'll be able to make a substantial troop reduction in July?

PRESIDENT OBAMA: Let me take the second question first. When I went through a rigorous and sometimes painful review process, as you remember, last December, our goal was to make sure that we had blunted the Taliban—the whole point of ramping up our troop presence was not because we wanted to maintain a long-term, large presence in Afghanistan, but it was to immediately blunt the momentum that we were seeing from the Taliban—and to create the space for the training of effective Afghan security forces.

And on both those fronts I think the objective assessment is, is that we have made progress. You have fewer areas of Afghanistan under Taliban control. You have the Taliban on the defensive in a number of areas that were their strongholds. We have met or exceeded our targets in terms of recruitment of Afghan security forces. And our assessments are that the performance of Afghan security forces has improved significantly.

So, thanks to the hard work of people like Dave Petraeus and Mark Sidwell and others, and obviously the incredible sacrifices of the troops on the ground from the ISAF forces, we are in a better place now than we were a year ago.

As a consequence, I'm confident that we are going to be able to execute our transition starting in July of next year. And General Petraeus is, in fact, in the process now of planning and mapping out where are those areas where we feel there's enough security that we can begin thinning out our troops in those areas, where are areas that need further reinforcements as certain areas get thinned out—so that we can continually consolidate the security gains and then backfill it with the effective civilians improvements that are going to be needed.

So we have made progress. The key is to make sure that we don't stand still but we keep accelerating that progress, that we build on it. And the contributions of our coalition forces around trainers is particularly important. And I've already said this, but when countries like Canada—which had originally said they were going to pull out at the end of next year—say, we are willing to supplement the training forces, a very difficult political decision; when countries like Italy are willing to come in and step up on the trainers—that's a testament to the confidence they have in General Petraeus's plans, and the fact that we are much more unified and clear about how we're going to achieve our ultimate end state in Afghanistan.

Now, to go to the point about President Karzai, we are there are their invitation. You are absolutely correct. Afghanistan is a sovereign nation. President Karzai believes that it is very important for us to help him with security and development issues over not just the next couple of years but over the long term. That partnership is obviously a two-way street. So my message to President Karzai is: We have to be sensitive to his concerns and the concerns of the Afghan people. We can't simply tell them what's good for them. We have to listen and learn and be mindful of the fact that Afghans ultimately make decisions about how they want to structure their governance, how they want to structure their justice system, how they want to approach economic development.

On the other hand, if we're putting in big resources, if we're ponying up billions of dollars, if the expectation is that our troops are going to be there to help secure the countryside and ensure that President Karzai can continue to build and develop his country, then he's got to also pay attention to our concerns as well.

And I don't think that's unreasonable, and I don't think he thinks that's unreasonable. But there is going to have to be a constant conversation to make sure that we're moving in the right direction.

And sometimes that conversation is very blunt. There are going to be some strong disagreements. And sometimes there are real tensions—for example, the issue of civilian casualties. That's an entirely legitimate issue on the part of President Karzai. He's the President of

a country and you've got foreign forces who, in the heat of battle, despite everything we do to avoid it, may occasionally cause civilian casualties, and that is understandably upsetting. I don't fault President Karzai for raising those issues.

On the other hand, he's got to understand that I've got a bunch of young men and women from small towns and big cities all across America who are in a foreign country being shot at and having to traverse terrain filled with IEDs, and they need to protect themselves. And so if we're setting things up where they're just sitting ducks for the Taliban, that's not an acceptable answer either.

And so we've got to go back and forth on all these issues.

Chuck Todd.

Q Thank you, Mr. President. I want to follow up on Margaret's question. It sounds like you believe Senator Kyl's opposition on START is purely political or mostly political. Is that what you're telling your fellow world leaders on this stage? And do you think failure to ratify by the end of the year, is that going to undermine your ability on the world stage?

And then, second, do you care to comment on the dustup over TSA pat-downs?

PRESIDENT OBAMA: I have spoken to Senator Kyl directly and I believe that Senator Kyl wants a safe and secure America, just like I do, and is well motivated. And so what I said in terms of partisanship is that the climate in Washington is one where it's hard to get parties to cooperate, especially after a big election.

That's understandable. Folks are reorganizing. You've got a lame duck session; there's a limited amount of time. It's been a long year; we've done a lot of stuff. People are thinking about Thanksgiving and then thinking about getting off to Christmas. And I'm sure that the Republican caucus in the Senate is really focused on next year and we're going to have a Republican House and what are the things that we want to get done and what are our priorities.

So Senator Kyl has never said to me that he does not want to see START ratified. He hasn't publicly said that he's opposed to the

treaty. What he said is, is that he just felt like there wasn't enough time to get it done in the lame duck. And I take him at his word.

But what I've been trying to communicate is that this is an issue of critical national security interest that has been fully vetted; it has been extensively debated; it has received strong bipartisan support coming out of the Foreign Relations Committee; it has received strong backing from our U.S. military; it has received strong backing from Republican predecessors in the National Security office and the Secretary of Defense's office, Secretary of State. And so in that context, I want to emphasize to everybody that this is important and there is a time element to this.

We don't have any mechanism to verify what's going on right now on the ground in Russia. Six months from now, that's a six-month gap in which we don't have good information. So even if you—let me take this—let me say it this way—especially if you mistrust Russian intentions, you should want to get this done right away.

Now, I happen to think that President Medvedev is—has made every effort to move Russia in the right direction. And so if you agree with me on that front, then it's also important that we don't leave a partner hanging after having negotiated a agreement like this that's good for both countries.

And there's another element to this. We've instituted Iran sanctions. Thanks to the work of the EU, thanks to the work of Russia, thanks to the work of some of our other partners, these are the strongest sanctions we've ever implemented. But we have to maintain sustained pressure as Iran makes a calculation about whether it should return to negotiations on its nuclear program. This is the wrong time for us to be sending a message that there are divisions between the P5-plus-1, that there's uncertainty.

So my point here, Chuck, is there are going to be a lot of issues to debate between Democrats and Republicans over the next two years. This shouldn't be one of them.

With respect to the TSA, let me, first of all, make a confession. I don't go through security checks to get on planes these days, so I haven't personally experienced some of the procedures that have

been put in place by TSA. I will also say that in the aftermath of the Christmas Day bombing, our TSA personnel are, properly, under enormous pressure to make sure that you don't have somebody slipping on a plane with some sort of explosive device on their persons. And since the explosive device that was on Mr. Abdulmutallab was not detected by ordinary metal detectors, it has meant that TSA has had to try to adapt to make sure that passengers on planes are safe.

Now, that's a tough situation. One of the most frustrating aspects of this fight against terrorism is that it has created a whole security apparatus around us that causes huge inconvenience for all of us. And I understand people's frustrations. And what I've said to the TSA is that you have to constantly refine and measure whether what we're doing is the only way to assure the American people's safety. And you also have to think through are there ways of doing it that are less intrusive.

But at this point, TSA, in consultation with our counterterrorism experts, have indicated to me that the procedures that they've been putting in place are the only ones right now that they consider to be effective against the kind of threat that we saw in the Christmas Day bombing.

But I'm going to—every week I meet with my counterterrorism team and I'm constantly asking them whether—is what we're doing absolutely necessary? Have we thought it through? Are there other ways of accomplishing it that meet the same objectives?

Bill Plante.

Q Thank you, Mr. President. NATO's commitment to Afghanistan extends through 2014. What about the U.S.? It's possible, given the circumstances, that there may be a need for troops and combat action after 2014. Is the U.S. committed? If it's your decision, will you keep U.S. troops committed in a combat role if necessary?

PRESIDENT OBAMA: Well, your last point was "if necessary," and so let me start there. My first and most important job as President of the United States is to keep the American people safe. So I'll always do what's necessary to keep the American people safe. That's

true today; that will be true for as long as I'm President of the United States. And maybe that will be the case in 2014.

What NATO has committed to is that we are going to undergo a transition between 2011 and 2014, and the United States is part of NATO, so we are completely aligned in what we're going to be doing. Our goal is that the Afghans have taken the lead in 2014, and in the same way that we have transitioned in Iraq, we will have successfully transitioned so that we are still providing a training and support function.

There may still be extensive cooperation with the Afghan armed services to consolidate the security environment in that area. But our every intention is that Afghans are in the lead and we're partnering with them the way we partner with countries all around the world to make sure that both our country and their country is safe.

The other thing that I'm pretty confident we will still be doing after 2014 is maintaining a counterterrorism capability until we have confidence that al Qaeda is no longer operative and is no longer a threat to the American homeland and to American allies and personnel around the world. And so it's going to be important for us to continue to have platforms to be able to execute those counterterrorism operations.

That's true in Iraq, as well. And obviously that's even more true when it comes to core al Qaeda. We don't want—after having made these extraordinary efforts by so many countries, we don't have to—we don't want to have to suddenly find ourselves in a situation where they waited us out and they reconsolidated there.

But my goal is to make sure that by 2014 we have transitioned, Afghans are in the lead, and it is a goal to make sure that we are not still engaged in combat operations of the sort that we're involved with now. Certainly our footprint will have been significantly reduced. But beyond that, it's hard to anticipate exactly what is going to be necessary to keep the American people safe as of 2014. I'll make that determination when I get there.

The last question is Victor Goncalves of Portugal.

Q Good afternoon, Mr. President. Thank you very much for answering my question. First, I'd like to ask you in what ways the recovery of American economy can boost European economies? This is a matter of great concern here in Europe.

And secondly, this is your first trip to Portugal. What are you taking from Lisbon? Thank you very much.

PRESIDENT OBAMA: One of the things that we learned over the last several years as we have dealt with this worldwide economic crisis is that every economy is interlinked. We can't separate what happens in the United States from what happens in Portugal, from what happens in Korea, from what happens in Thailand, what happens in South Africa or Brazil. We are all interconnected now in a global economy. And obviously, as the world's largest economy, what happens in the United States is going to have a profound impact on Europe.

The same is true, by the way, in the reverse direction. Our general assessment is, is that the trajectory of U.S. growth was moving at a stronger pace right before the issues of sovereign debt in Greece came up in the spring of this year. And when that happened, not only did that cause a significant dip in our stock market, but a lot of companies contracted in terms of their investment plans because they were uncertain. They understood that what happens in Europe could end up affecting what happens in the United States.

The most important thing that I can do for Europe is the same thing that I need to do for the United States, and that is to promote growth and increased employment in the United States. We have now grown for five consecutive quarters. We have seen private sector job growth for 10 consecutive months. But the pace is too slow. And my main task when I get back to the States and over the coming year is to work with Republicans and Democrats to move that growth process forward and to make sure that we are growing faster and that we are putting people back to work.

It is a difficult task. Historically what's happened is, is that when you have a financial crisis, the recession that follows is more severe and long-lasting than a normal business cycle crisis would be. And we

are, I think, digging out of a hole of debt and de-leveraging and the severe fall in our housing market. And all those things create strong headwinds when it comes to growth.

But we've taken some important steps already. That's why the economy is now growing instead of contracting. I want to take more steps to encourage business investment, to help small businesses hire. We think that infrastructure development in the United States has the potential of boosting our growth rates at a significant level.

We're going to have to do all this, though, at the same time as we're mindful of a significant public debt that has to be dealt with. And it would be nice if we didn't have the inheritance of big deficits and big debt and we could simply pump up the economy. What we have to do now is to make sure that we're speeding up recovery but still focusing on reducing our debts in the medium and long term.

But I think every European should have a great interest in making sure that the United States is growing faster.

One thing we talked about at the G20 was the fact that for all of us to grow faster, we need to rebalance the world economy. Before this crisis you had a situation where the world economic engine was U.S. consumers taking out huge debt—using credit cards, using home equity loans, to finance a lot of imports from other countries—and other countries developing huge surpluses, a lot of money washing around the world financial system, looking for investments with high returns that—all of which contributed to the instability of the system.

And what we said at the G20 and what we will continue to push for is countries with big surpluses have to figure how they can expand demand. Countries with significant deficits, we've got to save more and focus not just on consumption but also on production and on exports.

The currency issue plays into this. And there's going to be an ongoing debate about making sure that surplus countries are not artificially devaluing their currencies in a way that inhibits not only our growth but a world economic growth.

In terms of Portugal, everybody has been magnificent. I admit that the weather is better today than it was yesterday. Everybody assures me that Lisbon is supposed to be beautiful this time of year.

Yesterday was a little sad, but I was indoors all day anyway, so it didn't matter.

But the people of Portugal have been unbelievably kind and generous to us. I want to thank again Prime Minister Socrates and the entire government for the excellent work that they've done. And I hope that we're going to be able to return the favor next year.

So, obrigado. Thank you very much. (Applause.)

# Remarks by the President in Presenting National Medals of Science and National Medals of Technology and Innovation

## East Room

5:25 P.M. EST

THE PRESIDENT: Thank you so much, everybody. Wonderful to see you. Please, everyone sit down, sit down. We've got a lot of work to do here. (Laughter.) Have a seat.

Welcome to the White House. It is a great honor to be joined by so many leading researchers and innovators. I want to give some special thanks to a few members of my Cabinet, members of Congress who are here today: Secretary Gary Locke, our Commerce Secretary is here. Members of Congress—we have Arlen Specter of Pennsylvania, and Bart Gordon of Tennessee. Please give them a big round of applause for their great work. (Applause.)

We also have NASA Administrator Bolden who is here. (Applause.) Charlie. Dr. Subra Suresh, who's the Director of our National Science Foundation, is here. (Applause.) Mr. Dave Kappos, who's the Director of the Patent and Trademark Office. (Applause.) He was here. He may have had some work to do. (Laughter.)

Dr. Patrick Gallagher, who is the Director of our National Institute of Standards and Technology. (Applause.) And Dr. Larry Strickling, Administrator of the National Telecommunications and Information Administration. (Applause.)

Now, the achievements of the men and women who are onstage today stand as a testament to the ingenuity, to their zeal for discovery, and to the willingness to give of themselves and to sacrifice in order to expand the reach of human understanding.

All of us have benefited from their work. The scientists in this room helped develop the semiconductors and microprocessors that have propelled the Information Age. They've modeled the inner workings of the human mind and the complex processes that shape the Earth's climate. They've conducted pioneering research—from mathematics to quantum physics—into the sometimes strange and unexpected laws that govern our universe.

Folks here can also claim inventions like the digital camera, which has revolutionized photography—as all these folks back here will testify. (Laughter.) As well as superglue, which, in addition to fascinating children—(laughter)—has actually saved lives as a means of sealing wounds.

And the men and women we celebrate today have helped to unlock the secrets of genetics and disease, of nanotechnology and solar energy, of chemistry and biology—breakthroughs that provide so many benefits and hold so much potential, from new sources of electricity to new ways of diagnosing and treating illness.

Along the way, many of these folks have broken down barriers for women and minorities who've traditionally been underrepresented in scientific fields—but obviously are no less capable of contributing to the scientific enterprise.

Just as an example, at the start of her career, decades ago, Esther Cornwell [sic] was hired as an assistant engineer. But soon after she was told that this position wasn't open to a woman. She had to serve as an engineer's assistant instead. Of course, that didn't stop her from becoming a pioneer in semiconductors and materials science.

It's no exaggeration to say that the scientists and innovators in this room have saved lives, improved our health and well-being, helped unleash whole new industries and millions of jobs, transformed the way we work and learn and communicate. And this incredible

contribution serves as proof not only of their incredible creativity and skill but of the promise of science itself.

Every day, in research laboratories and on proving grounds, in private labs and university campuses, men and women conduct the difficult, often frustrating work of discovery. It isn't easy. It may take years to prove a hypothesis correct—or decades to learn that it isn't correct. Often the competition can be fierce—whether in designing a product or securing a grant. And rarely do those who give their all to this pursuit receive the attention or the acclaim they deserve.

Yet it is in these labs—often late at night, often fueled by a dangerous combination of coffee and obsession—(laughter)—that our future is being won. For in a global economy, the key to our prosperity will never be to compete by paying our workers less or building cheaper, lower-quality products. That's not our advantage. The key to our success—as it has always been—will be to compete by developing new products, by generating new industries, by maintaining our role as the world's engine of scientific discovery and technological innovation. It's absolutely essential to our future.

And that's why we're here today, and why I look forward to events like these. I believe one of the most important jobs that I have as President is to restore science to its rightful place. (Applause.) That means strengthening our commitment to research. It means ensuring that our government makes decisions based on the best evidence, rather than politics. It means reforming and improving math and science education—and encouraging the private sector to inspire young people to pursue careers in science and engineering.

And it means fostering a climate of innovation and entrepreneurship—from incentives in clean energy to tax breaks to start-ups. I'd also point out that's not just a job for government. Creating this climate depends on all of us, including businesses and universities and nonprofits.

One of the most important ways in which we can restore science to its rightful place is by celebrating the contributions of men and women like all of you. Because that's how we'll excite a new generation to follow in your footsteps. That's how we can spark the imagination of

a young person who just might change the world. I was reminded of how important this is just a few weeks ago. We held a science fair here at the White House. Some of you may have heard about it.

We welcome all the time championship sports teams to the White House to celebrate their victories. I thought we ought to do the same thing for the winners of science fairs and robotic contests and math competitions—because those young people often don't get the credit that they deserve. Nobody rushes on the field and dumps Gatorade on them—(laughter)—when you win a science award. Maybe they should. (Laughter.)

So I got to meet these incredibly talented and enthusiastic young men and women. There was a team of high school kids from Tennessee that had designed a self-powered water purification system. We had robots running all over through the State Dining Room. (Laughter.)

The last young person I spoke to was a young woman from Texas—she was 16 years old. She was studying biology as a freshman, decided she was interested in cancer research, so taught herself chemistry during the summer; then designed a science project to look at new cancer drugs, based on some experimental drugs that are activated by light. They could allow a more focused treatment that targets the cancer cells while living, healthy cells remain unharmed.

She goes on to design her own drug; wins the international science competition. And she told me that she and her high school science teacher are being approached by laboratories across the country to collaborate—(laughter)—on this potential new cancer treatment. This is a true story—16 years old, taught herself chemistry. Incredibly inspiring.

And at a time of significant challenge in this country—at a moment when people are feeling so much hardship in their lives—this has to give us hope for the future. It ought to remind us of the incredible potential of this country and its people—as long as we unlock it; as long as we put resources into it and we celebrate it and we encourage it, we embrace it.

You know, Carl Sagan once said, “Science is a way of thinking much more than it is a body of knowledge.” That way of thinking—that combination of curiosity and skepticism, the sense of wonder and the willingness to test our assumptions—it’s what, at root, we are honoring today. It’s what has spurred countless advances and conferred untold benefits on our society. And it’s an idea that has driven our success for as long as we have been a nation.

And I’m confident that this spirit of discovery and invention will continue to help us succeed in the years and decades to come. And our country owes every one of our laureates with us today a big measure of thanks for nurturing that spirit and expanding the boundaries of human knowledge.

So it is now my privilege to present the National Medals of Science and the National Medals of Technology and Innovation.

(The citations are read.)

Yakir Aharonov. The 2009 National Medal of Science to Yakir Aharonov, Chapman University, for his contributions to the foundations of quantum physics and for drawing out unexpected implications of that field ranging from the Aharonov-Bohm effect to the theory of weak measurement.

(The medal is presented.) (Applause.)

Stephen J. Benkovic. The 2009 National Medal of Science to Stephen J. Benkovic, Pennsylvania State University, for his research contributions in the field of bioorganic chemistry, which have changed our understanding of how enzymes function and advanced the identification of targets and strategies for drug design.

(The medal is presented.) (Applause.)

Esther M. Conwell. The 2009 National Medal of Science to Esther M. Conwell, University of Rochester, for her broad contributions to understanding electron and hole transport in semiconducting materials, which helped to enable commercial applications of semiconductor and organic electronic devices, and for extending her analysis to studying the electronic properties of DNA.

(The medal is presented.) (Applause.)

Marye Anne Fox. The 2009 National Medal of Science to Marye Anne Fox, University of California San Diego, for her research contributions in the areas of organic photochemistry and electrochemistry, and for enhancing our understanding of excited-state and charge-transfer processes with interdisciplinary applications in material science, solar energy conversion, and environmental chemistry.

(The medal is presented.) (Applause.)

Susan Lee Lindquist. The 2009 National Medal of Science to Susan Lee Lindquist, Whitehead Institute, Massachusetts Institute of Technology, for her studies of protein folding, demonstrating that alternative protein conformations and aggregations can have profound and unexpected biological influences, facilitating insights in fields as wide-ranging as human disease, evolution, and biomaterials.

(The medal is presented.) (Applause.)

Mortimer Mishkin. The 2009 National Medal of Science to Mortimer Mishkin, National Institutes of Health, for his contributions to understanding the neural basis of perception and memory in primates, notably the delineation of sensory neocortical processing systems, especially for vision, audition, and somatic sensation, and the organization of memory systems in the brain.

(The medal is presented.) (Applause.)

David B. Mumford. The 2009 National Medal of Science to David B. Mumford, Brown University, for his contributions to the field of mathematics, which fundamentally changed algebraic geometry, and for connecting mathematics to other disciplines such as computer vision and neurobiology.

(The medal is presented.) (Applause.)

Stanley B. Prusiner. The 2009 National Medal of Science to Stanley B. Prusiner, University of California San Francisco, for his discovery of prions, the causative agent of bovine spongiform encephalopathy and other related neurodegenerative diseases, and his continuing efforts to develop effective methods for detecting and treating prion diseases.

(The medal is presented.) (Applause.)

Warren M. Washington. The 2009 National Medal of Science to Warren M. Washington, National Center for Atmospheric Research, for his development and use of global climate models to understand climate and explain the role of human activities and natural processes in the Earth's climate system, and for his work to support a diverse science and engineering workforce.

(The medal is presented.) (Applause.)

Amnon Yariv. The 2009 National Medal of Science to Amnon Yariv, California Institute of Technology, for foundational contributions to photonics and quantum electronics, including the demonstration of the semiconductor distributed feedback laser that underpins today's high-speed, optical fiber communications.

(The medal is presented.) (Applause.)

Harry W. Coover. The 2009 National Medal of Technology and Innovation to Harry W. Coover, Eastman Chemical Company, for his invention of cyanoacrylates—novel adhesives known widely to consumers as “super glues”—(laughter)—which today play significant roles in medicine and industry.

(The medal is presented.) (Applause.)

Helen M. Free. The 2009 National Medal of Technology and Innovation to Helen M. Free, Miles Laboratories, for her seminal contributions to diagnostic chemistry through development of dip-and-read urinalysis, which gave rise to a technological revolution in convenient, reliable, point-of-care tests and patient self-monitoring.

(The medal is presented.) (Applause.)

Steven J. Sasson. The 2009 National Medal of Technology and Innovation to Steven J. Sasson, Eastman Kodak Company, for the invention of the digital camera, which has revolutionized—(laughter)—which has revolutionized the way images are captured, stored, and created, creating new opportunities in commerce, education, and global communication.

THE PRESIDENT: This picture better be good. (Laughter and applause.)

Federico Faggin, Marcian E. Hoff Jr., and Stanley Mazor. The 2009 National Medal of Technology and Innovation to Federico

Faggin, Marcian E. Hoff Jr., and Stanley Mazor, Intel Corporation, for the conception, design and application of the first microprocessor, which was commercially adopted and became the universal building block of digital electronic systems, significantly impacting the global economy and people's day-to-day lives.

(The medals are presented.) (Applause.)

THE PRESIDENT: Well, let me make two closing points. Number one, I feel really smart just standing up here with these folks. (Laughter.) I think it kind of rubbed off on me. (Laughter.)

Number two, I want to congratulate our military aide for being able to read all those things. (Laughter and applause.) I want to assure you he practiced a lot. (Laughter.)

And finally, let me just once again say to all the honorees who are here tonight, you have truly revolutionized the world in ways that are profoundly important to people in their day-to-day lives, but also help to create those steps in human progress that really make us who we are as human beings. And so we could not be prouder of you, could not be more grateful to you for your contributions.

Please give them one last big round of applause. (Applause.)

Everybody, enjoy the party. (Laughter and applause.)

## Press Conference by the President After G20 Meetings in Seoul, Korea

Coex Center, Seoul, Republic of Korea

4:43 P.M. KST

THE PRESIDENT: Good afternoon, everybody. Before I discuss the G20, I want to briefly comment on the agreement in Iraq that's taken place on the framework for a new government. There's still challenges to overcome, but all indications are that the government will be representative, inclusive, and reflect the will of the Iraqi people who cast their ballots in the last election.

This agreement marks another milestone in the history of modern Iraq. Once again, Iraqis are showing their determination to unify Iraq and build its future and that those impulses are far stronger than those who want Iraq to descend into sectarian war and terror.

For the last several months, the United States has worked closely with our Iraqi partners to promote a broad-based government—one whose leaders share a commitment to serving all Iraqis as equal citizens. Now, Iraq's leaders must finish the job of forming their government so that they can meet the challenges that a diverse coalition will inevitably face. And going forward, we will support the Iraqi people as they strengthen their democracy, resolve political disputes, resettle those displaced by war, and build ties of commerce and cooperation with the United States, the region and the world.

Now, here in Seoul, once again, we are very grateful to our hosts—President Lee, and the people of Seoul and South Korea—for your extraordinary hospitality.

We came to Seoul to continue the work that has taken us from London to Pittsburgh to Toronto. We worked together to pull the global economy back from catastrophe. To avoid the old cycles of boom and bust that led to that crisis, we committed ourselves to

growth that is balanced and sustained, including financial reform and fiscal responsibility.

The actions we took were not always easy or popular. But they were necessary. As a result, the global economy is growing again. Some economies, especially emerging economies, are experiencing strong economic growth. Trade has risen. Jobs are being created, as in the United States, where we've had 10 consecutive months of private sector job growth and created more than one million private sector jobs this year alone.

In short, we succeeded in putting the global economy back on the path of recovery—but we also know that the progress has not come nearly fast enough, especially when it comes to my highest priority, which is putting Americans back to work.

Nor have we yet achieved the balanced global growth that we need. Many advanced economies are growing too slowly and not creating enough jobs. Some countries are running large surpluses, others running large deficits. Put simply, we risk slipping back into the old imbalances that contributed to the economic crisis in the first place and which threaten global recovery.

So here in Seoul, the question was whether our nations could work together to keep the global economy growing. I know the commentary tends to focus on the inevitable areas of disagreement, but the fact is the 20 major economies gathered here are in broad agreement on the way forward—an agreement that is based on a framework that was put forward by the United States. And for the first time, we spelled out the actions that are required—in four key areas—to achieve the sustained and balanced growth that we need.

First, we agreed to keep focusing on growth. At home, the United States has been doing our part by making historic investments in infrastructure and education, research and clean energy. And as a consequence, our economy is growing again — even as we must do more to ensure that that growth is sustained and translates into jobs for our people.

Here at Seoul, we agreed that growth must be balanced. Countries with large deficits must work to reduce them, as we are doing in the

United States, where we're on track to cut our deficit in half by 2013, and where I'm prepared to make tough decisions to achieve that goal. Likewise, countries with large surpluses must shift away from unhealthy dependence on exports and take steps to boost domestic demand. As I've said, going forward, no nation should assume that their path to prosperity is paved simply with exports to the United States.

Second, we agreed that exchange rates must reflect economic realities. Just as the major advanced economies need to keep working to preserve stability among reserve currencies, emerging economies need to allow for currencies that are market-driven. This is something that I raised yesterday with President Hu of China, and we will continue to closely watch the appreciation of China's currency. All of us need to avoid actions that perpetuate imbalances and give countries an undue advantage over one another.

Third, we took further steps to implement financial regulatory reform. At home, we are implementing the toughest financial reform since the Great Depression, and we are expecting the same sense of urgency, rather than complacency, among our G20 partners. Here in Seoul we agreed to new standards—similar to those that we've passed in the United States—to make sure that banks have the capital they need to withstand shocks and not take excessive risks that could lead to another crisis. And we agreed on an approach to ensure that taxpayers are not asked to pay for future bank failures.

Fourth, we agreed to focus on development as a key driver of economic growth. The work we did here today builds on a new development policy that I announced in September and recognizes that the most effective means of lifting people out of poverty is to create sustainable economic growth -- growth that will create the markets of the future. We also agreed on an action plan to combat corruption, which in some countries is the single greatest barrier to economic progress.

Finally, we reaffirmed the need to avoid protectionism that stifles growth and instead pursue trade and investment through open markets. That's why, for example, we will continue to work towards a U.S.-Korea free trade agreement in the coming weeks—not just any

agreement, but the best agreement to create jobs both in America and Korea.

And that's why I spoke very frankly to my G20 partners today about the prospects of the Doha Round. For just as emerging economies have gained a greater voice at international financial institutions—in part because of the work we've done here at the G20—so, too, must they embrace their responsibilities to open markets to the trade and investment that creates jobs in all our countries.

So, again, I want to thank our South Korean hosts for a very successful summit. I want to thank my fellow leaders for their partnership. Here in Seoul, we've laid out the steps we must take to realize the balanced and sustained growth that we need. And now and in the days ahead, these are the commitments that we're going to have to meet.

So with that, let me take a few questions. And I'll start off with Julianna Goldman of Bloomberg.

Q Thank you, Mr. President. A question on the South Korea free trade agreement. If U.S. concerns on autos and beef aren't adequately addressed over the next few weeks, at that point would it be better to just have no deal at all?

THE PRESIDENT: Well, I've always said that I'm not interested in signing a trade agreement just for the sake of an announcement. I'm interested in trade agreements that increase jobs and exports for the United States, and hopefully also increase opportunities for our trading partners. I think that is achievable between the United States and Korea.

But the whole issue here from my perspective, and has always been over the last couple of years, is do we have a deal that works for us? That's my first obligation. President Lee's obligation obviously is to make sure it works for Korea. I think we can get a win-win, but it was important to take the extra time so that I am assured that it is a win for American workers and American companies as well as for Korean

workers and Korean companies, because I'm the one who's going to have to go to Congress and sell it.

And from my perspective, again, I'm not interested in an announcement but then an agreement that doesn't produce for us. We've had a lot of those in the past—a lot of announcements but, at the same time, we see American manufacturing deteriorate and, as a consequence, a lot of concern back home. And understandably, I think there's a lot of suspicion that some of these trade deals may not be good for America. I think this one can be but I want to make sure that when I present that trade agreement to Congress I am absolutely confident that we've got the kind of deal that is good for both countries.

Dan Lothian of CNN.

Q Thank you. After the midterm elections you said that you were open to compromise on the Bush tax cuts. I'm wondering if you're prepared today to say that you're willing to accept a temporary extension for the wealthiest Americans? And then on an unrelated question, do you feel that the election has weakened you on the global stage?

THE PRESIDENT: The answer to the second question is no. I think what we've seen over the last several days as we've traveled through Asia is that people are eager to work with America, eager to engage with America on economic issues, on security issues, on a whole range of mutual interests. And that's especially true in Asia, where we see such enormous potential. This is the fastest-growing part of the world. And we've got to be here and we've got to work. And I'm absolutely confident that my administration over the next two years is going to continue to make progress in ensuring that the United States has a presence here not just for the next couple of years but for decades to come.

With respect to the Bush tax cuts, what I've said is that I'm going to meet with both the Republican and Democratic leaders late next week and we're going to sit down and discuss how we move forward. My number-one priority is making sure that we make the middle-class tax cuts permanent, that we give certainty to the 98 percent of Americans who are affected by those tax breaks. I don't want to see

their income taxes spike up—not only because they need relief after having gone through a horrendous recession, but also because it would be bad for the economy.

I continue to believe that extending permanently the upper-income tax cuts would be a mistake and that we can't afford it. And my hope is, is that somewhere in between there we can find some sort of solution. But I'm not going to negotiate here in Seoul. My job is to negotiate back in Washington with Republican and Democratic leaders.

Ben Feller of AP.

Q Thank you, Mr. President. You came to Asia talking about the deep frustration that Americans feel about the slow pace of recovery in the economy, and over your travels in the past 10 days you've been talking a lot about sustainable growth. But the American people don't seem as interested in gradual growth as much as they want real, noticeable help right now. Can you promise them that there will be, in fact, noticeable job growth during your four-year term? And do you think that the unemployment rate will still be north of 9 percent when you run for reelection?

THE PRESIDENT: Well, I don't have a crystal ball, Ben, but I will say this. First of all, we've grown the economy by a million jobs over the last year. So that's pretty noticeable. I think those million people who've been hired notice those paychecks. And that's 10 consecutive months of private sector job growth.

In order to speed up job growth, we've put forward a range of proposals that I hope to discuss with Democratic and Republican leaders—because I don't think we can just stand pat. I continue to believe that we need to invest in a creaky infrastructure back home. And I think as you travel around Asia, you start seeing other countries investing in infrastructure. That's what the United States has done in the past, but we've been living off the investments that we made back in the '30s, '40s, '50s, and '60s. And it's time for us to make sure that we've upgraded our roads and our railways and our airports. That will make us more productive and will put people back to work right now.

I continue to believe that it is important for us to work with businesses to see if we can incentivize them to invest now rather than holding cash waiting for the future. They've got cash to spend. And so we've put forward a series of tax proposals that historically Republicans have supported. And my expectation would be there's no reason for them not to support it just because I'm supporting it. And so that's a conversation that I hope to have next week.

But we have a recovery. It needs to be speeded up. Government can't hire back the 8 million people who lost their jobs. Ultimately that's up to the private sector. But I think we can set the conditions whereby we're seeing significant improvement during the course of the next year, the next two years, and we can chip away at the unemployment rate so that we get back to the kinds of levels that reflect a growing middle class and increased opportunity for all people.

Jake Tapper.

Q Thank you, Mr. President. This communiqué has a commitment that all countries will refrain from competitive devaluation of currencies. I'm wondering what you think that means concretely when it comes to China's behavior, what you expect from them?

And also I'm wondering, when it comes to Congress, if you think your party, the Democratic Party, would benefit from new blood, new leadership?

THE PRESIDENT: I've been very clear and persistent since I came into office that we welcome China's rise; we think the fact that China has grown as remarkably as it has, has lifted millions of people out of poverty, and that is ultimately good for the world and good for America—because it means that China has the opportunity to be a responsible partner. It means that China can be an enormous market for the United States, for Korea, for countries throughout Asia and around the world. And it's just good to get people out of poverty and give them opportunity.

What I've also said is that precisely because of China's success, it's very important that it act in a responsible fashion internationally. And the issue of the RNB is one that is an irritant not just to the United States, but is an irritant to a lot of China's trading partners and those

who are competing with China to sell goods around the world. It is undervalued. And China spends enormous amounts of money intervening in the market to keep it undervalued.

And so what we've said is it's important for China in a gradual fashion to transition to a market-based system. Now, this is something that China has done in the past. And China has also acknowledged that it needs to transition to a more balanced growth strategy internally where they're focusing on their enormous domestic market and giving their people the opportunity to buy goods and services and consume—all of which will promote their growth, but also will reduce some of the imbalances around the world.

And so what this communiqué I think communicates—not just to China but to all of us—is letting currencies reflect market fundamentals, allowing your currency to move up and down, depending on the role that you're playing in the international trading system, is the best way to assure that everybody benefits from trade rather than just some. And the communiqué strongly communicates that principle.

My expectation is that China is going to make progress on this issue. President Hu is going to be visiting me in Washington in January, and our hope and expectation is, is that we will continue to see progress on this front.

It means some adjustments for China. And so we understand that this is not solved overnight. But it needs to be dealt with and I'm confident that it can be.

Sheryl Stolberg. Oh—I think that what we will naturally see is a whole bunch of talented people rise to the top as they promote good ideas that attract the American people when it comes to jobs and investment and how to grow the economy and how to deal with our challenges. I think Speaker Pelosi has been an outstanding partner for me. I think Harry Reid has been a terrific partner in moving some very difficult legislation forward. And I'm looking forward to working with the entire leadership team to continue to make progress on the issues that are important to the American people.

Sheryl.

Q Thank you, Mr. President. I'm hoping to get you in a little bit of a reflective mode. You spoke in your press conference in D.C. about your relationship with the American people. You said then that it had built slowly, it peaked at this incredible high, and then during the course of the last two years it had gotten rockier and tougher. And I'm wondering if you think the same could be said of your relations with foreign leaders, who maybe were just a teensy bit falling all over you when you first arrived on the world stage.

THE PRESIDENT: That's not how I remember it. I remember our first G20 you guys writing the exact same stories you're writing now about the exact same issues. Don't you remember that, Sheryl? (Laughter.)

The United States, obviously, has a special role to play on the international stage, regardless of who is President. We are a very large, very wealthy, very powerful country. We have had outsized influence over world affairs for a century now. And you are now seeing a situation in which a whole host of other countries are doing very well and coming into their own, and naturally they are going to be more assertive in terms of their interests and ideas. And that's a healthy thing. That's why we now have a G20—because the old arrangements didn't fully reflect these new realities.

But let's just reflect on this summit. The Framework for Balanced and Sustainable Growth is one that we helped to originate. The financial reforms and Basel III are based on ideas that came out of our work and reflect many of the principles that are in Dodd-Frank. The development document that was set forward in this communiqué tracks the development ideas that I put forward several weeks ago in terms of how we can encourage not just aid, but also self-sufficiency. The corruption initiative that's reflected in the communiqué was prompted by recommendations and suggestions that we made.

So sometimes, I think, naturally there's an instinct to focus on the disagreements, because otherwise, these summits might not be very exciting—it's just a bunch of world leaders sitting around intervening. And so there's a search for drama. But what's remarkable is that in each of these successive summits we've actually made real progress.

And sometimes the progress—charting the progress requires you to go back and look at previous summits, starting off with—let’s say, on financial regulatory—in Toronto, we said, here’s what we need to do; let’s have this ready by the time we get to Seoul. It wasn’t real sexy back in Toronto and nobody really wrote about it, but it actually moved the ball forward in terms of a coordinated response to financial regulation.

IMF reform is something that the United States has said we need to get done. And in previous summits, we said we’re going to find a way to get that done. And lo and behold, here we are at this summit and we’ve actually achieved what is a huge shift in how power is assigned in these international financial institutions.

So the work that we do here is not always going to seem dramatic. It’s not always going to be immediately world-changing. But step by step, what we’re doing is building stronger international mechanisms and institutions that will help stabilize the economy, ensure economic growth and reduce some tensions.

Now, last point I’ll make on this: Part of the reason that sometimes it seems as if the United States is attracting some dissent is because we’re initiating ideas. We’re putting them forward. The easiest thing for us to do would be to take a passive role and let things just drift, which wouldn’t cause any conflict. But we thought it was important for us to put forward more structure to this idea of balanced and sustained growth. And some countries pushed back. They were concerned about what might this—is this somehow going to lock us in to having to change our growth patterns or our trade policies or what have you. And that resistance is natural. It arises out of the fact that the U.S. is showing leadership and we are pushing to try to bring about changes.

Q —leaders and if you had noticed any change during your time in office --

THE PRESIDENT: And I guess what I’m saying is, is that I actually think that my relationships have grown much stronger with the people who I’ve worked with here.

When I first came into office, people might have been interested in more photo ops because there had been a lot of hoopla surrounding my election. But I now have a genuine friendship with Prime Minister Singh of India and I think that he and I share a level of understanding and interest in working together that didn't exist when I first came onto the scene. I think the same is true for Chancellor Merkel; the same is true for Prime Minister Erdogan; the same is true for President Lee.

That doesn't mean that there aren't going to be differences, but—the same is true for my relationship with President Hu. It wasn't any easier to talk about currency when I had just been elected and my poll numbers were at 65 percent than it is now. It was hard then and it's hard now. Because this involves the interests of countries and not all of these are going to be resolved easily. And it's not just a function of personal charm. It's a function of countries' interests and seeing if we can work through to align them.

All right. Savannah Guthrie.

Q A quick follow-up. Some are interpreting your senior advisor David Axelrod's comments to a newspaper back home that your compromise position is to temporarily extend the Bush tax cuts. Is that the wrong interpretation?

THE PRESIDENT: That is the wrong interpretation because I haven't had a conversation with Republican and Democratic leaders. Here's the right interpretation. I want to make sure that taxes don't go up for middle-class families starting on January 1st. That's my number-one priority—for those families and for our economy.

I also believe that it would be fiscally irresponsible for us to permanently extend the high-income tax cuts. I think that would be a mistake, particularly when we've got our Republican friends saying that their number-one priority is making sure that we deal with our debt and our deficit.

So there may be a whole host of ways to compromise around those issues. I'm not going to negotiate here in Seoul on those issues. But I've made very clear what my priorities are.

Q Oh, sorry, that was actually my quick follow-up --

THE PRESIDENT: Oh, I see. (Laughter.)

Q —but this leads me right to my real question, which is, speaking of fiscal responsibility, given the fact that the bulk of the expense of extending the tax cuts to the middle class would be trillions of dollars, in the interest of telling the truth to the American people, can we afford that? Thank you.

THE PRESIDENT: Well, the middle class in the United States saw their real wages go down 5 percent over the period of 2001 to 2009, at the same time as all their costs were going up. And so giving them permanent relief is good for those families. I also believe strongly it is good for our economy right now, at a time when we are still in recovery.

The costs are significant and we are going to have to have a discussion about over the medium and long term how do we match up our spending with our revenues—because right now they are way out of balance. That's why we have a deficit. That's why we have a debt. And it is our responsibility to the next generation to make sure that that gets solved.

I don't start thinking on the revenue side. I start thinking on the spending side—where can we potentially save money? I'm looking forward to getting the official Bowles-Simpson recommendations. I'm going to study those carefully, consult widely, and see what we can do on the spending side that will have an impact. And then we've got to see how much of a shortfall do we have. And then we're going to have to have a debate, which will probably be a tough debate and has to be an honest debate with the American people about how do we pay for those things that we think are really important.

I think it is really important for us to invest in research and development because that's going to be the key to innovation and our long-term economic success. But we've got to figure out how to pay for that. I think it's really important to invest in our education system. That's going to be a key to our long-term economic growth and competitiveness. How are we going to pay to make sure that young people can go to college? I think it's important to make sure that

Social Security and Medicare are there not just for this generation but for the next. How do we make that sustainable?

So that's going to be a series of tough conversations. What I know is that if we're spending \$700 billion—if we're borrowing \$700 billion to pay for tax breaks for folks like me who don't need them and where I'm least likely to spend that money and circulate it in the economy, that's probably not a great approach.

But, again, I know that the other side feels very strongly about it and I'm willing to have a tough, hard-headed discussion with Democratic and Republican leaders about that issue.

Chip Reid.

Q Thank you, Mr. President. I know it's not your habit to comment on Fed decisions, but there's been quite a bit of reporting, if you believe it, and I'm sure you do, that there's quite a bit of unhappiness among G20 countries over that decision. And I'm not asking you to comment on the decision. But did you get an earful from other leaders here on the Fed decision? Could you share with us what some of them said? And if you're not willing to delve too deeply into that, what was the number-one complaint, concern, or piece of advice that you got from foreign leaders about the U.S. economy and your stewardship of the economy?

THE PRESIDENT: What about compliments? You didn't put that in the list. There was only complaints, concerns, or—(laughter.) You know, there was not a lot of discussion about the Fed decision in the leaders' meetings. I think a couple of times there were some veiled references to monetary policy that may have effect on other countries. But it wasn't central to any of the discussions that we had.

I know that on the margins, there was a lot of discussion—and in the press, there was a huge amount of discussion about it. But I have to tell you that wasn't part of the discussion that we had inside the leaders' meetings.

Most of the discussion had to do with how do we translate this idea of rebalancing into concrete steps. And the communiqué accurately reflects the consensus. It's puzzling to me that the reporting is all talking about conflict when the communiqué actually reflects a hard-won

consensus that the world's 20 largest economies signed up for and that gives us some mechanisms to start monitoring, looking at indicators, seeing how countries are doing on this front.

It doesn't provide an enforcement mechanism that says to Korea or the United States or Germany or Brazil you have to do something, but it does give the international community the ability to monitor and see exactly what countries are doing, and to see if the policies they're pursuing are fair to their trading partners. And if they're not, then it gives a mechanism to apply at least some peer pressure on those countries to start doing something about it.

I think when people talk to me about the U.S. economy, their main concern is, is it growing fast enough. Because a lot of countries, including South Korea, depend a lot on exports and the U.S. is the world's largest market. They want to see us grow. They want unemployment to go down in the United States. And so I think they're very interested in what are additional strategies that can be used to encourage take-off in the U.S. economy. And I described to them some of the steps that we're taking and that we're going to be continuing to take in order to make that happen.

I guess the last point I would just make about the Fed decision, when I am asked about it my simple point is to say that, from everything I can see, this decision was not one designed to have an impact on the currency, on the dollar. It was designed to grow the economy.

And there's some legitimate concern that we've had very low inflation, that a huge danger in the United States is deflation, and that we have to be mindful of those dangers going forward because that wouldn't be good for the United States or for the rest of the world.

Beyond that, that's just an observation about what I think the intent was.

Last question—Scott Horsley.

Q One of your top advisors said this morning that the challenges facing the G20 now are much more manageable than they were at the height of the crisis. How does that affect the dynamic? Is there some taking the eye off the ball among your fellow leaders?

THE PRESIDENT: I think what it means is that in the absence of crisis people probably are willing to hunker down a little bit more on some of the negotiations. Speed seems less of the essence, and so people think, well, if it doesn't get solved now maybe we can put this off for another day.

What's remarkable to me, though, is despite some of those impulses we're still getting stuff done. And as I emphasized before, we should not anticipate that every time countries come together that we are doing some revolutionary thing. Instead of hitting home runs, sometimes we're going to hit singles. But they're really important singles. And I just listed some of these out.

IMF reform—this is something that folks have been talking about for a decade or more. It's gotten done. Financial regulatory reform—huge lift—that we talked about in my first G20 summit, it is now coming to fruition. We've still got some more work to do but we've made enormous progress in a huge—really short period of time. Basel II I think took a decade to negotiate; we got this done basically in a year and a half.

The development agenda that's been put forward will make a difference. This rebalancing is still a work in progress, but everybody is on record now saying surplus countries and deficit countries both have to be mindful of their policies and think about the adjustments that they need so that we can sustain economic growth and keep our borders open to goods and services over the long term.

So those are all positives, and I think that's an indication of the seriousness with which people take these meetings—even if, as I said, it's not always going to be revolutionary progress but sometimes evolutionary progress.

I feel obliged to take maybe one question from the Korean press—since you guys have been such excellent hosts. Anybody? This gentleman right here—he's got his hand up. He's the only one who took me up on it. Go ahead. And I'll probably need a translation, though, if you're asking the question in Korean. In fact, I definitely will need a translation. (Laughter.)

Q Unfortunately, I hate to disappoint you, President Obama, I'm actually Chinese. (Laughter.)

THE PRESIDENT: Well, it's wonderful to see you.

Q But I think I get to represent the entire Asia.

THE PRESIDENT: Absolutely.

Q We're one family here in this part of the world.

THE PRESIDENT: Well, your English is better than my Mandarin also. (Laughter.) But—now, in fairness, though, I did say that I was going to let the Korean press ask a question. So I think that you held up your hand anyway.

Q How about will my Korean friends allow me to ask a question on your behalf? Yes or no?

THE PRESIDENT: Well, it depends on whether there's a Korean reporter who would rather have the question. No, no takers?

Q (Inaudible.)

THE PRESIDENT: This is getting more complicated than I expected. (Laughter.)

Q Take quick, one question from an Asian, President Obama.

THE PRESIDENT: Well, the—as I said, I was going to—go ahead and ask your question, but I want to make sure that the Korean press gets a question as well.

Q Okay. My question is very simple. You mentioned interpretation. I know part of the difficulty being the American President is that some of the decisions that you take, actions you make will be interpreted in a way that are not what you thought they would be or what you meant they would be. For instance, some of the actions you've taken were interpreted as anti-business, domestically, in the United States. And as someone just mentioned, some of the actions taken by the U.S. government that you represent as well were interpreted as sacrificing other countries' interests for America's own benefit. So you find yourself constantly being interpreted in a thousand different ways. How do you address these interpretations?

THE PRESIDENT: With a wonderful press conference like this that give me the opportunity hopefully to provide my own interpretation. But, look, you make a valid point. We live in a connected world.

Everything I say, everything my administration does, anything one of my aides does is interpreted in one fashion or another. In America we call it spin. And there's a spin cycle that is going on 24 hours a day, seven days a week. And I think that in this media environment, it is in some ways more challenging to make sure that your message and your intentions are getting out in a consistent basis.

But I think that if I'm consistent with my actions and I'm consistent with my goals, then over time hopefully people look at my overall trajectory and they can draw accurate conclusions about what we're trying to do.

With respect to business, for example, we've had in the United States some battles between myself and some in the business community around issues like financial regulation or health care. At the same time, I've said repeatedly and I said on this trip, we can't succeed unless American businesses succeed. And I'm going to do everything I can to promote their ability to grow and prosper and to sell their goods both in the United States and abroad. And the fact that the economy is now growing and trade is expanding and the stock market is up I think is an indication that I mean what I say. And hopefully by the end of my administration businesses will look back and say, you know what, actually the guy was pretty good for business—even if at any given point in the road they may be frustrated.

So—all right, now I'm stuck with this last one but I think I've got to go fly a plane.

Q (Inaudible.)

THE PRESIDENT: Right.

Q What led your administration to decide to try and extract further concessions from Korea on imports of American beef? And did you miscalculate the extent that this appears to be non-negotiable here in Korea? Do you really think you can convince people living in Korea to buy more American beef?

THE PRESIDENT: Well, first of all, beef was not the only issue that was of concern. In fact, a larger concern had to do with autos. And the concern is very simple. We have about 400,000 Korean autos in the United States and a few thousand American cars here in Korea.

And people are concerned about whether the standards, the non-tariff barriers with respect to autos is something that is preventing us from being able to compete with very good products.

Now, I think that we can find a sweet spot that works both for Korea and the United States. But I repeat, I'm not interested in trade agreements just for the sake of trade agreements. I want trade agreements that work for the other side, but my main job is to look out for the American people, American workers and American businesses. And I want to make sure that this deal is balanced. And so we're going to keep on working on it. But I'm confident we can get it done.

All right, thank you very much, everybody. I'm late for my flight. (Applause.)

# Remarks by the President at the University of Indonesia in Jakarta, Indonesia

University of Indonesia  
Jakarta, Indonesia

9:30 A.M. WIT

THE PRESIDENT: *Terima kasih. Terima kasih*, thank you so much, thank you, everybody. *Selamat pagi*. (Applause.) It is wonderful to be here at the University of Indonesia. To the faculty and the staff and the students, and to Dr. Gumilar Rusliwa Somantri, thank you so much for your hospitality. (Applause.)

*Assalamualaikum dan salam sejahtera*. Thank you for this wonderful welcome. Thank you to the people of Jakarta and thank you to the people of Indonesia.

*Pulang kampung nih*. (Applause.) I am so glad that I made it back to Indonesia and that Michelle was able to join me. We had a couple of false starts this year, but I was determined to visit a country that's meant so much to me. And unfortunately, this visit is too short, but I look forward to coming back a year from now when Indonesia hosts the East Asia Summit. (Applause.)

Before I go any further, I want to say that our thoughts and prayers are with all of those Indonesians who are affected by the recent tsunami and the volcanic eruptions—particularly those who've lost loved ones, and those who've been displaced. And I want you all to know that as always, the United States stands with Indonesia in responding to natural disasters, and we are pleased to be able to help as needed. As neighbors help neighbors and families take in the displaced, I know

that the strength and the resilience of the Indonesian people will pull you through once more.

Let me begin with a simple statement: *Indonesia bagian dari didi saya*. (Applause.) I first came to this country when my mother married an Indonesian named Lolo Soetoro. And as a young boy I was—as a young boy I was coming to a different world. But the people of Indonesia quickly made me feel at home.

Jakarta—now, Jakarta looked very different in those days. The city was filled with buildings that were no more than a few stories tall. This was back in 1967, '68—most of you weren't born yet. (Laughter.) The Hotel Indonesia was one of the few high rises, and there was just one big department store called *Sarinab*. That was it. (Applause.) *Betchaks* and *bemos*, that's how you got around. They outnumbered automobiles in those days. And you didn't have all the big highways that you have today. Most of them gave way to unpaved roads and the *kampongs*.

So we moved to *Menteng Dalam*, where—(applause)—hey, some folks from *Menteng Dalam* right here. (Applause.) And we lived in a small house. We had a mango tree out front. And I learned to love Indonesia while flying kites and running along the paddy fields and catching dragonflies, buying *satay* and *baso* from the street vendors. (Applause.) I still remember the call of the vendors. *Satay!* (Laughter.) I remember that. *Baso!* (Laughter.) But most of all, I remember the people—the old men and women who welcomed us with smiles; the children who made a foreign child feel like a neighbor and a friend; and the teachers who helped me learn about this country.

Because Indonesia is made up of thousands of islands, and hundreds of languages, and people from scores of regions and ethnic groups, my time here helped me appreciate the common humanity of all people. And while my stepfather, like most Indonesians, was raised a Muslim, he firmly believed that all religions were worthy of respect. And in this way—(applause)—in this way he reflected the spirit of religious tolerance that is enshrined in Indonesia's Constitution, and that remains one of this country's defining and inspiring characteristics. (Applause.)

Now, I stayed here for four years—a time that helped shape my childhood; a time that saw the birth of my wonderful sister, Maya; a time that made such an impression on my mother that she kept returning to Indonesia over the next 20 years to live and to work and to travel—and to pursue her passion of promoting opportunity in Indonesia’s villages, especially opportunity for women and for girls. And I was so honored—(applause)—I was so honored when President Yudhoyono last night at the state dinner presented an award on behalf of my mother, recognizing the work that she did. And she would have been so proud, because my mother held Indonesia and its people very close to her heart for her entire life. (Applause.)

So much has changed in the four decades since I boarded a plane to move back to Hawaii. If you asked me—or any of my schoolmates who knew me back then—I don’t think any of us could have anticipated that one day I would come back to Jakarta as the President of the United States. (Applause.) And few could have anticipated the remarkable story of Indonesia over these last four decades.

The Jakarta that I once knew has grown into a teeming city of nearly 10 million, with skyscrapers that dwarf the Hotel Indonesia, and thriving centers of culture and of commerce. While my Indonesian friends and I used to run in fields with water buffalo and goats—(laughter)—a new generation of Indonesians is among the most wired in the world—connected through cell phones and social networks. And while Indonesia as a young nation focused inward, a growing Indonesia now plays a key role in the Asia Pacific and in the global economy. (Applause.)

Now, this change also extends to politics. When my stepfather was a boy, he watched his own father and older brother leave home to fight and die in the struggle for Indonesian independence. And I’m happy to be here on Heroes Day to honor the memory of so many Indonesians who have sacrificed on behalf of this great country. (Applause.)

When I moved to Jakarta, it was 1967, and it was a time that had followed great suffering and conflict in parts of this country. And even though my stepfather had served in the Army, the violence and

killing during that time of political upheaval was largely unknown to me because it was unspoken by my Indonesian family and friends. In my household, like so many others across Indonesia, the memories of that time were an invisible presence. Indonesians had their independence, but oftentimes they were afraid to speak their minds about issues.

In the years since then, Indonesia has charted its own course through an extraordinary democratic transformation—from the rule of an iron fist to the rule of the people. In recent years, the world has watched with hope and admiration as Indonesians embraced the peaceful transfer of power and the direct election of leaders. And just as your democracy is symbolized by your elected President and legislature, your democracy is sustained and fortified by its checks and balances: a dynamic civil society; political parties and unions; a vibrant media and engaged citizens who have ensured that—in Indonesia—there will be no turning back from democracy.

But even as this land of my youth has changed in so many ways, those things that I learned to love about Indonesia—that spirit of tolerance that is written into your Constitution; symbolized in mosques and churches and temples standing alongside each other; that spirit that’s embodied in your people—that still lives on. (Applause.) *Bhinneka Tunggal Ika* -- unity in diversity. (Applause.) This is the foundation of Indonesia’s example to the world, and this is why Indonesia will play such an important part in the 21st century.

So today, I return to Indonesia as a friend, but also as a President who seeks a deep and enduring partnership between our two countries. (Applause.) Because as vast and diverse countries; as neighbors on either side of the Pacific; and above all as democracies—the United States and Indonesia are bound together by shared interests and shared values.

Yesterday, President Yudhoyono and I announced a new Comprehensive Partnership between the United States and Indonesia. We are increasing ties between our governments in many different

areas, and—just as importantly—we are increasing ties among our people. This is a partnership of equals, grounded in mutual interests and mutual respect.

So with the rest of my time today, I'd like to talk about why the story I just told—the story of Indonesia since the days when I lived here—is so important to the United States and to the world. I will focus on three areas that are closely related, and fundamental to human progress—development, democracy and religious faith.

First, the friendship between the United States and Indonesia can advance our mutual interest in development.

When I moved to Indonesia, it would have been hard to imagine a future in which the prosperity of families in Chicago and Jakarta would be connected. But our economies are now global, and Indonesians have experienced both the promise and the perils of globalization: from the shock of the Asian financial crisis in the '90s, to the millions lifted out of poverty because of increased trade and commerce. What that means—and what we learned in the recent economic crisis—is that we have a stake in each other's success.

America has a stake in Indonesia growing and developing, with prosperity that is broadly shared among the Indonesian people—because a rising middle class here in Indonesia means new markets for our goods, just as America is a market for goods coming from Indonesia. So we are investing more in Indonesia, and our exports have grown by nearly 50 percent, and we are opening doors for Americans and Indonesians to do business with one another.

America has a stake in an Indonesia that plays its rightful role in shaping the global economy. Gone are the days when seven or eight countries would come together to determine the direction of global markets. That's why the G20 is now the center of international economic cooperation, so that emerging economies like Indonesia have a greater voice and also bear greater responsibility for guiding the global economy. And through its leadership of the G20's anti-corruption group, Indonesia should lead on the world stage and by example in embracing transparency and accountability. (Applause.)

America has a stake in an Indonesia that pursues sustainable development, because the way we grow will determine the quality of our lives and the health of our planet. And that's why we're developing clean energy technologies that can power industry and preserve Indonesia's precious natural resources—and America welcomes your country's strong leadership in the global effort to combat climate change.

Above all, America has a stake in the success of the Indonesian people. Underneath the headlines of the day, we must build bridges between our people, because our future security and prosperity is shared. And that is exactly what we're doing—by increasing collaboration among our scientists and researchers, and by working together to foster entrepreneurship. And I'm especially pleased that we have committed to double the number of American and Indonesian students studying in our respective countries. (Applause.) We want more Indonesian students in American schools, and we want more American students to come study in this country. (Applause.) We want to forge new ties and greater understanding between young people in this young century.

These are the issues that really matter in our daily lives. Development, after all, is not simply about growth rates and numbers on a balance sheet. It's about whether a child can learn the skills they need to make it in a changing world. It's about whether a good idea is allowed to grow into a business, and not suffocated by corruption. It's about whether those forces that have transformed the Jakarta I once knew—technology and trade and the flow of people and goods—can translate into a better life for all Indonesians, for all human beings, a life marked by dignity and opportunity.

Now, this kind of development is inseparable from the role of democracy.

Today, we sometimes hear that democracy stands in the way of economic progress. This is not a new argument. Particularly in times of change and economic uncertainty, some will say that it is easier to take a shortcut to development by trading away the right of human beings for the power of the state. But that's not what I saw on my trip

to India, and that is not what I see here in Indonesia. Your achievements demonstrate that democracy and development reinforce one another.

Like any democracy, you have known setbacks along the way. America is no different. Our own Constitution spoke of the effort to forge a “more perfect union,” and that is a journey that we’ve traveled ever since. We’ve endured civil war and we struggled to extend equal rights to all of our citizens. But it is precisely this effort that has allowed us to become stronger and more prosperous, while also becoming a more just and a more free society.

Like other countries that emerged from colonial rule in the last century, Indonesia struggled and sacrificed for the right to determine your destiny. That is what Heroes Day is all about—an Indonesia that belongs to Indonesians. But you also ultimately decided that freedom cannot mean replacing the strong hand of a colonizer with a strongman of your own.

Of course, democracy is messy. Not everyone likes the results of every election. You go through your ups and downs. But the journey is worthwhile, and it goes beyond casting a ballot. It takes strong institutions to check the power—the concentration of power. It takes open markets to allow individuals to thrive. It takes a free press and an independent justice system to root out abuses and excess, and to insist on accountability. It takes open society and active citizens to reject inequality and injustice.

These are the forces that will propel Indonesia forward. And it will require a refusal to tolerate the corruption that stands in the way of opportunity; a commitment to transparency that gives every Indonesian a stake in their government; and a belief that the freedom of Indonesians—that Indonesians have fought for is what holds this great nation together.

That is the message of the Indonesians who have advanced this democratic story—from those who fought in the Battle of Surabaya 55 years ago today; to the students who marched peacefully for democracy in the 1990s; to leaders who have embraced the peaceful transition of power in this young century. Because ultimately,

it will be the rights of citizens that will stitch together this remarkable *Nusantara* that stretches from Sabang to Merauke, an insistence—(applause)—an insistence that every child born in this country should be treated equally, whether they come from Java or Aceh; from Bali or Papua. (Applause.) That all Indonesians have equal rights.

That effort extends to the example that Indonesia is now setting abroad. Indonesia took the initiative to establish the Bali Democracy Forum, an open forum for countries to share their experiences and best practices in fostering democracy. Indonesia has also been at the forefront of pushing for more attention to human rights within ASEAN. The nations of Southeast Asia must have the right to determine their own destiny, and the United States will strongly support that right. But the people of Southeast Asia must have the right to determine their own destiny as well. And that's why we condemned elections in Burma recently that were neither free nor fair. That is why we are supporting your vibrant civil society in working with counterparts across this region. Because there's no reason why respect for human rights should stop at the border of any country.

Hand in hand, that is what development and democracy are about—the notion that certain values are universal. Prosperity without freedom is just another form of poverty. Because there are aspirations that human beings share—the liberty of knowing that your leader is accountable to you, and that you won't be locked up for disagreeing with them; the opportunity to get an education and to be able to work with dignity; the freedom to practice your faith without fear or restriction. Those are universal values that must be observed everywhere.

Now, religion is the final topic that I want to address today, and—like democracy and development—it is fundamental to the Indonesian story.

Like the other Asian nations that I'm visiting on this trip, Indonesia is steeped in spirituality—a place where people worship God in many different ways. Along with this rich diversity, it is also home to the world's largest Muslim population—a truth I came to know as a boy when I heard the call to prayer across Jakarta.

Just as individuals are not defined solely by their faith, Indonesia is defined by more than its Muslim population. But we also know that relations between the United States and Muslim communities have frayed over many years. As President, I have made it a priority to begin to repair these relations. (Applause.) As part of that effort, I went to Cairo last June, and I called for a new beginning between the United States and Muslims around the world—one that creates a path for us to move beyond our differences.

I said then, and I will repeat now, that no single speech can eradicate years of mistrust. But I believed then, and I believe today, that we do have a choice. We can choose to be defined by our differences, and give in to a future of suspicion and mistrust. Or we can choose to do the hard work of forging common ground, and commit ourselves to the steady pursuit of progress. And I can promise you—no matter what setbacks may come, the United States is committed to human progress. That is who we are. That is what we've done. And that is what we will do. (Applause.)

Now, we know well the issues that have caused tensions for many years—and these are issues that I addressed in Cairo. In the 17 months that have passed since that speech, we have made some progress, but we have much more work to do.

Innocent civilians in America, in Indonesia and across the world are still targeted by violent extremism. I made clear that America is not, and never will be, at war with Islam. Instead, all of us must work together to defeat al Qaeda and its affiliates, who have no claim to be leaders of any religion --- certainly not a great, world religion like Islam. But those who want to build must not cede ground to terrorists who seek to destroy. And this is not a task for America alone. Indeed, here in Indonesia, you've made progress in rooting out extremists and combating such violence.

In Afghanistan, we continue to work with a coalition of nations to build the capacity of the Afghan government to secure its future. Our shared interest is in building peace in a war-torn land—a peace that provides no safe haven for violent extremists, and that provide hope for the Afghan people.

Meanwhile, we've made progress on one of our core commitments—our effort to end the war in Iraq. Nearly 100,000 American troops have now left Iraq under my presidency. (Applause.) Iraqis have taken full responsibility for their security. And we will continue to support Iraq as it forms an inclusive government, and we will bring all of our troops home.

In the Middle East, we have faced false starts and setbacks, but we've been persistent in our pursuit of peace. Israelis and Palestinians restarted direct talks, but enormous obstacles remain. There should be no illusion that peace and security will come easy. But let there be no doubt: America will spare no effort in working for the outcome that is just, and that is in the interests of all the parties involved—two states, Israel and Palestine, living side by side in peace and security. That is our goal. (Applause.)

The stakes are high in resolving all of these issues. For our world has grown smaller, and while those forces that connect us have unleashed opportunity and great wealth, they also empower those who seek to derail progress. One bomb in a marketplace can obliterate the bustle of daily commerce. One whispered rumor can obscure the truth and set off violence between communities that once lived together in peace. In an age of rapid change and colliding cultures, what we share as human beings can sometimes be lost.

But I believe that the history of both America and Indonesia should give us hope. It is a story written into our national mottos. In the United States, our motto is *E pluribus unum* -- out of many, one. *Bhinneka Tunggal Ika* -- unity in diversity. (Applause.) We are two nations, which have traveled different paths. Yet our nations show that hundreds of millions who hold different beliefs can be united in freedom under one flag. And we are now building on that shared humanity—through young people who will study in each other's schools; through the entrepreneurs forging ties that can lead to greater prosperity; and through our embrace of fundamental democratic values and human aspirations.

Before I came here, I visited *Istiqlal* mosque—a place of worship that was still under construction when I lived in Jakarta. And I admired

its soaring minaret and its imposing dome and welcoming space. But its name and history also speak to what makes Indonesia great. *Istiqlal* means independence, and its construction was in part a testament to the nation's struggle for freedom. Moreover, this house of worship for many thousands of Muslims was designed by a Christian architect. (Applause.)

Such is Indonesia's spirit. Such is the message of Indonesia's inclusive philosophy, *Pancasila*. (Applause.) Across an archipelago that contains some of God's most beautiful creations, islands rising above an ocean named for peace, people choose to worship God as they please. Islam flourishes, but so do other faiths. Development is strengthened by an emerging democracy. Ancient traditions endure, even as a rising power is on the move.

That is not to say that Indonesia is without imperfections. No country is. But here we can find the ability to bridge divides of race and region and religion—by the ability to see yourself in other people. As a child of a different race who came here from a distant country, I found this spirit in the greeting that I received upon moving here: *Selamat Datang*. As a Christian visiting a mosque on this visit, I found it in the words of a leader who was asked about my visit and said, "Muslims are also allowed in churches. We are all God's followers."

That spark of the divine lives within each of us. We cannot give in to doubt or cynicism or despair. The stories of Indonesia and America should make us optimistic, because it tells us that history is on the side of human progress; that unity is more powerful than division; and that the people of this world can live together in peace. May our two nations, working together, with faith and determination, share these truths with all mankind.

*Sebagai penutup, saya mengucapkan kepada seluruh rakyat Indonesia: terima kasih atas. Terima kasih. Assalamualaikum. Thank you.*

# Remarks by the President After a Cabinet Meeting

## Cabinet Room

9:40 A.M. EDT

THE PRESIDENT: Hello, everybody. I just want to make a few quick remarks to expand on some things that I said yesterday. Obviously Tuesday was a big election. I congratulated the Republicans and consoled some of our Democratic friends about the results, and I think it's clear that the voters sent a message, which is they want us to focus on the economy and jobs and moving this country forward. They're concerned about making sure that taxpayer money is not wasted, and they want to change the tone here in Washington, where the two parties are coming together and focusing on the people's business as opposed to scoring political points.

I just had a meeting with my Cabinet and key staff to let them know that we have to take that message to heart and make a sincere and consistent effort to try to change how Washington operates. And the folks around this table have done extraordinary work in their agencies. They have cooperated consistently with Congress. I think they are interested in bipartisan ideas. And so they are going to be integral in helping me to root out waste in government, make our agencies more efficient, and generate more ideas so that we can put the American people back to work.

Now, at the same time, obviously what's going to be critically important over the coming months is creating a better working relationship between this White House and the congressional leadership that's coming in, as well as the congressional leadership that carries

over from the previous Congress. And so I want everybody to know that I have already called Mitch McConnell, John Boehner, Harry Reid and Nancy Pelosi to invite them to a meeting here at the White House in the first week of the lame duck on November 18th. This is going to be a meeting in which I'll want us to talk substantively about how we can move the American people's agenda forward. It's not just going to be a photo op. Hopefully—it may spill over into dinner. And the immediate focus is going to be what we need to get done during the lame-duck session.

I mentioned yesterday we have to act in order to assure that middle-class families don't see a big tax spike because of how the Bush tax cuts have been structured. It is very important that we extend those middle-class tax provisions to hold middle-class families harmless.

But there are a whole range of other economic issues that have to be addressed: unemployment insurance for folks who are still out there looking for work; business extenders, which are essentially provisions to encourage businesses to invest here in the United States, and if we don't have those, we're losing a very important tool for us to be able to increase business investment and increase job growth over the coming year. We've got to provide businesses some certainty about what their tax landscape is going to look like, and we've got to provide families certainty. That's critical to maintain our recovery.

I should mention that in addition to those economic issues, there are some things during the lame duck that relate to foreign policy that are going to be very important for us to deal with, and I'll make mention of one in particular, and that's the START treaty. We have negotiated with the Russians significant reductions in our nuclear arms. This is something that traditionally has received strong bipartisan support. We've got people like George Shultz, who helped to organize arms control treaties with the Russians back when it was the Soviet Union who have come out forcefully in favor of this.

This is not a traditionally Democratic or Republican issue but rather a issue of American national security. And I am hopeful that we can get that done before we leave and send a strong signal to Russia that we are serious about reducing nuclear arsenals, but also sending

a signal to the world that we're serious about nonproliferation. We've made great progress when it comes to sending a message to Iran that they are isolated internationally, in part because people have seen that we are serious about taking our responsibilities when it comes to nonproliferation, and that has to continue.

So there is going to be a whole range of work that needs to get done in a relatively short period of time, and I'm looking forward to having a conversation with the leadership about some agenda items that they may be concerned about.

Last point I'll make is that I've also invited the newly elected Democratic and Republican governors here to the White House on December 2nd because I think it's a terrific opportunity to hear from them, folks who are working at the state and local levels, about what they're seeing, what ideas they think Washington needs to be paying more attention to.

A lot of times things are a little less ideological when you get governors together because they've got very practical problems that they've got to solve in terms of how do they make sure that roads and bridges are funded and how do they make sure that schools stay open and teachers stay on the job. That kind of nuts and bolts stuff I think oftentimes yields the kind of commonsense approach that the American people I think are looking for right now.

So, in sum, we've got a lot of work to do. People are still catching their breath from the election. The dust is still settling. But the one thing I'm absolutely certain of is that the American people don't want us just standing still and they don't want us engaged in gridlock. They want us to do the people's business, partly because they understand that the world is not standing still.

I'm going to be leaving tomorrow for India, and the primary purpose is to take a bunch of U.S. companies and open up markets so that we can sell in Asia, in some of the fastest-growing markets in the world, and we can create jobs here in the United States of America. And my hope is, is that we've got some specific announcements that show the connection between what we're doing overseas and what

happens here at home when it comes to job growth and economic growth.

But the bottom line is, is that all around the world, countries are moving. They are serious about competing. They are serious about competing with us not just on manufacturing but on services. They're competing with us when it comes to educational attainment, when it comes to scientific discovery.

And so we can't afford two years of just squabbling. What we need to do is make sure that everybody is pulling together, Democrats and Republicans and independents, folks at the federal level and the state levels, private sector with the public sector, to make sure that America retains its competitiveness, retains its leadership in the world. And that's something that I'm very much looking forward to helping to be a part of.

So, thank you very much, everybody.

# Remarks by the President at a DNC Event in Philadelphia, Pennsylvania

**Temple University, Philadelphia, Pennsylvania**

11:38 A.M. EDT

THE PRESIDENT: Hello! Hello, Philly! Hello, Philadelphia! (Applause.) Oh, this is a good-looking crowd here. (Applause.) Are you fired up? (Applause.) Are you ready to go? (Applause.)

First of all, thank you, Elliot, for the unbelievable introduction. We appreciate you. We've got a couple other special guests here. I want to make sure that I acknowledge them. Governor Ed Rendell is in the house. (Applause.) U.S. Senator Arlen Specter is here. (Applause.) U.S. Senator Bob Casey. (Applause.) Congressman Chaka Fattah. (Applause.) Congressman soon-to-be-senator Joe Sestak. (Applause.) Mayor Michael Nutter. (Applause.) Allegheny County Executive and soon-to-be-governor Dan Onorato. (Applause.)

I want to thank the first-time voters and Temple University Young Democrats—(applause)—for all the great work you guys have done. And give it up for Quincy Lyons for the great job he's doing organizing. (Applause.)

Now, I am not here to give a long speech, because I want everybody out there, not in here. I'm here to deliver two messages.

The first message is thank you, because not only did all of you mobilize, organize and energize in 2008 to help send me to the White

House—(applause)—but over the last two years, so many of you have continued to be involved each and every day to make sure that we could keep moving this country forward. It's because of you that young people are getting college scholarships that weren't getting it before. (Applause.)

It's because of you that young people can now stay on their parents' health insurance till they're 26—(applause)—and folks who have health insurance aren't dropped by insurance companies when they get sick.

And the fact that—and it's because of you that we're also going to be able to fund AIDS. It's because of you that we are going to be in a position to make sure that each and every person out there is able to find work after a devastating economic crisis that made such a difference to so many families all across this country.

Now, here's the thing, though, guys. You cannot stop now, because the fact of the matter is we are in a difficult election. It's difficult here in Pennsylvania. It is difficult all across the country.

And unless each and every one of you turn out, and get your friends to turn out, and get your families to turn out, then we could fall short, and all the progress that we've made over the last couple of years can be rolled back.

So the key right now is not just to show up here, it's not just to listen to speeches. It's to go out there and do the hard work that's going to be required to bring this home over the last few days. That's going to be the key. (Applause.)

And so I know that some of you may have been at the rally we had with 20,000 folks of Germantown. (Applause.) But you know what, coming to a rally, that's not the hard part. What I need this weekend is 20,000 doors knocked on by all the volunteers who are here today. (Applause.) Is that something that you think you can do, 20,000? (Applause.)

In order for Joe Sestak to be successful and Dan Onorato to be successful and the entire Democratic ticket to be successful, you're going to need to talk to folks everywhere you can and make sure that you describe to them the future that you see for this country.

You want a country where every young person can get a decent education. You want a country where nobody is bankrupt because they get sick. You want a country where our seniors can retire with dignity and respect, and Social Security is there not just for this generation but for future generations.

You want a country that has the best infrastructure in the world. We used to be number one. We can't have the best rail lines and the best airports built in China or Singapore. They need to be right here in the United States of America. (Applause.)

We don't want to be falling behind in math and science and technology. We've got to be first in research and development and technology to make sure that the new products and new services are developed right here in the United States.

We want clean energy here. We don't want solar panels and wind turbines and electric cars built in China or Europe. We want them built here in the United States with American workers. (Applause.)

And so it is absolutely critical that you go out there and you describe your hopes for the future, especially the young people here, because this election is not just going to set the stage for the next two years. It's going to set the stage for the next 10, for the next 20.

And for those of you who were so excited two years ago, I just want to remind you this. Two years ago was not about me. It was about you and it was about this country. And I said then that change was going to be hard. Now, we've been involved in some tough fights over the last two years. We can't move backwards now. We've got to keep moving forward now. And that's all going to be up to you.

So I want everybody to get out there, knock on doors, make phone calls, volunteer, talk to your friends, talk to your neighbors, go into the beauty shops, go into the barber shops, when you're in church or—you know, this weekend, I want everybody to be talking about—have folks voted.

If you do that, then I am confident we're not just going to win this election but we're going to keep on moving this country forward so that the American Dream is accessible for everybody, not just some.

Thank you very much, Philadelphia. I love you. (Applause.) God bless you. Let's get busy. Let's go to work. Thank you. (Applause.)

# Remarks by the President at DCCC General Reception

**Rhode Island Convention Center  
Providence, Rhode Island**

6:03 P.M. EDT

THE PRESIDENT: Hello, Rhode Island! Thank you so much. Thank you. Are you fired up? (Applause.) It is good to be back in Rhode Island. It is good to be here for an outstanding soon-to-be member of Congress, Dave Cicilline. (Applause.)

Now, you already have some great members of Congress, and so I just want to make quick mention of them. Your senior senator, one of the finest senators that I know, Jack Reed is in the house. (Applause.) His great partner, junior senator Sheldon Whitehouse. (Applause.) A dear friend, Patrick Kennedy is here. (Applause.) Outstanding legislator Jim Langevin is here. (Applause.) And somebody who's working so hard to maintain a Democratic majority across the country, the head of the DCCC, Chris VanHollen is here. Thank you, Chris. (Applause.)

And all of you are here. And I'm really happy about that. (Applause.)

Now, Providence, one week from tomorrow, you have the chance to set the direction not just for this state but for this country, not just for the next two years but for the next two decades. And just like you did in 2008, you have the chance to defy the conventional wisdom.

You remember in 2008, everybody looks back and says, oh, that was easy. No, it wasn't easy. (Laughter.) In retrospect it looked easy.

But at the time, everybody said, you can't overcome the cynicism in our politics. You can't overcome all the special interest money. You can't take on the biggest challenges that we face. You certainly can't elect a skinny guy named Barack Obama. (Applause.) And you said, "Yes, we can." (Applause.) And a week from tomorrow, we have a chance to say, "Yes, we can" again. We've got a chance to say, "Yes, we can" again.

AUDIENCE: Yes, we can! Yes, we can! Yes, we can!

THE PRESIDENT: Yes, we can. Look, there is no doubt that this is going to be a difficult election. I'm confident that David is going to win. I feel good about it. (Applause.)

But, look, this is going to be a difficult election because we've been through an incredibly difficult time as a nation. For most of the last decade, middle-class families have just barely been treading water.

I want to give you a couple of statistics. Between 2001 and 2009, we had the slowest job growth of any time since World War II. In fact, job growth was slower during those eight years than it has been over the last year.

Between that same period, 2001 to 2009, middle-class families on average lost 5 percent of their income. Think about that. This is at a time when health care costs skyrocketed. College tuition, off the charts. More jobs being shipped overseas. Families just barely keeping up, working two jobs, three jobs to pay the mortgage, to pay the bills.

Too many parents were saying to their kids, I'm not sure we can afford college; too many families saying, we can't afford to see a doctor when we get sick. It's just too expensive.

And then all these problems that had been building up for a decade culminated in the worst financial crisis and the worst economic crisis since the Great Depression.

In the six months before I took office, we lost 4 million jobs in America—in six months. We lost 750,000 the month I took office; 600,000 the month after that; 600,000 the month after that. We lost almost 8 million jobs before any of the economic policies the

Democrats had a chance to put into place could take effect—almost 8 million jobs.

Now, our hope was that because of the magnitude of the crisis, that me and Jack and Sheldon, Jim, others, Patrick, our hope was that finally we'd be able to come together with the Republicans and start solving problems instead of playing politics. We figured this is a once-in-a-generation challenge, and so let's see if we can put the bickering aside, and the gamesmanship that had dominated Washington for way too long. Because although we're proud to be Democrats, we are prouder to be Americans. (Applause.)

And there are a lot of Republicans that I think felt the same way. But Republican leaders in Congress, they made a different decision. Their basic strategy was, you know what, we really screwed up. This is such a big mess. We've lost so many jobs. The economy is so bad that it's going to take a while to fix all these problems. And if we're there helping, then, gosh, who knows, they might realize that we're to blame. So we're better off just standing on the sidelines and saying no to everything.

And people are going to get angry and frustrated. And they may forget that, in fact, we were the folks in power when this crisis occurred. And we'll be able to point our fingers and pretend we had nothing to do with it.

That was their tactic. That was their strategy. In other words, their main electoral strategy, their political strategy was amnesia. (Laughter.) They are banking on you forgetting who caused this mess in the first place. But, Providence, it is up to you to let them know we have not forgotten. (Applause.) We have not forgotten.

We have not forgotten, and it's up to you to remember that this is a choice in the election between the politics that got us into this mess and the politics that are getting us out, between hope and fear, between the past and the future, between moving forward and moving backwards. And I don't know about you, but I want to move forward. (Applause.) David, I want to move forward. (Applause.) I want to move forward.

Look, if they win this election, the chair of the Republican campaign committee has already promised to pursue—and I’m quoting here—“the exact same agenda” as they pursued before I took office.

AUDIENCE: Booo!

THE PRESIDENT: And we know what that agenda is. It does have the virtue of simplicity. (Laughter.) You cut taxes—mostly for millionaires and billionaires; you cut rules for special interests; and then you cut middle-class families to fend for themselves.

So if you’re a family that doesn’t have health care, tough luck, you’re on your own. If you’re a young person who can’t afford to go to college, too bad, you’re on your own. If you’ve lost your job, you need a little help with unemployment insurance, you need a little help with some job training, tough luck, you’re on your own.

And this is all done under the guise, under the banner of fiscal conservatism, except it turns out that this same agenda turned record surpluses under a Democratic President and converted them into record deficits that allowed Wall Street to run wild that nearly destroyed our economy.

Now, I bring all this up not because I want to re-argue the past. I bring it up because I don’t want to relive the past. (Applause.)

It’s not as if, Providence, we haven’t tried what they’re peddling. We tried it for eight years. It didn’t work.

AUDIENCE MEMBER: We can’t go back.

THE PRESIDENT: We can’t go back. (Laughter.) Look, I’ve been using this analogy as I travel the country. Imagine the Republicans driving the economy into a ditch. And it’s a deep ditch. It’s a big ditch. And somehow they walked away from the accident, and we put on our boots and we rappelled down into the ditch—me and Jack and Sheldon and Jim and Patrick. We’ve been pushing, pushing, trying to get that car out of the ditch.

And meanwhile, the Republicans are standing there, sipping on a Slurpee. (Laughter.) Fanning themselves. We’re hot and sweaty and pushing, and they’re kicking dirt into the ditch. (Laughter.) Getting it into our faces. But that’s okay. We said—every once in a while we’d

ask them, “Do you want to come down and help?” They’d say, “No, but you’re not pushing the right way, though. Push harder.”

Finally, we get this car out of the ditch, and it’s banged up. It needs some body work, needs a tune-up. But it’s pointing in the right direction. The engine is turning and it’s ready to go. And we suddenly get this tap on our shoulders. We look back, who is it? The Republicans. And they’re saying, “Excuse me, we want the keys back.” You can’t have the keys back. You don’t know how to drive! (Applause.) You can’t have them back. Can’t do it. (Applause.) Not after we’ve worked this hard.

We can’t have special interests sitting shotgun. (Laughter.) You know, we got to have middle-class families up in front. (Applause.) We can’t—we don’t mind the Republicans joining us. They can come for the ride, but they got to sit in back. (Laughter.)

Look, these two years have been incredibly difficult. And not every decision we’ve made has always been popular, but they’ve been the right things to do because you sent me there—you sent me there not to do what was easy but do what was right. That’s why you sent me there. (Applause.)

And because of the steps we’ve taken, we no longer face the possibility of a second depression. The economy is growing again. (Applause.) We’ve seen private sector job growth for nine months in a row. I just had a chance to visit with some of the elected officials at a wonderful small business here that is representative of small businesses all across the country. They survived the recession, and they’re now ready to grow and expand.

And we’ve passed tax cuts and provided them additional financing so they can hire more workers. But you know what? We’ve still got a long way to go. We know we do. There are a lot of people hurting out there. There are a lot of folks who have been looking for work for months and still can’t find it. A lot of families still hanging on by a thread.

That's what keeps me up at night. That's what keeps David up at night. That's what we're focused on because we've got a different idea about what the future should look like. And it's an idea rooted in our own families, our own backgrounds, about our understanding about how this country was built.

I didn't come from money. I didn't have a famous, well-connected family. And I was raised by my parents to believe—and my grandparents to believe in self-reliance. We know government doesn't have all the answers to our problems. We know our young people—if our schools are going to succeed, our young people have to work hard in school. Parents have to do a good job parenting.

We believe government should be lean and efficient, and that each of us should take responsibility for contributing to our community. But in the words of the first Republican President, Abraham Lincoln, we also believe that government should do for the people what they can't do better for themselves.

So we believe in hard work and responsibility and individual initiative. But we also believe in an America that invests in its future, invests in its people, in the education of our children, in the skills of our workers.

We believe in a country where we look out for one another, where I am my brother's keeper, I am my sister's keeper. That's the America I know. That's the choice in this election. (Applause.) That's the choice in this election.

If we give the other side the keys to the car, you know what they're going to do? They're going to keep on giving tax breaks to companies that ship jobs overseas. I believe in tax breaks for companies like the one that I just visited, companies that are investing here in the United States, small businesses, American manufacturers, clean energy companies. (Applause.)

I don't want solar panels and electric cars made in Europe or Asia. I want them made right here in the United States with American workers. That's the choice in this election. (Applause.)

I think a lot of Americans right now, what they're asking—they're seeing all the negative ads on TV. What they really want to know is,

what's your plan to move America forward; what's your plan to put people back to work.

And we've put forward plans to rebuild our infrastructure. We used to have the best infrastructure in the world. But we don't now. We've got to invest in that. We've got to invest in research and development. We want to make sure that we're giving incentives to companies to push their investments forward into next year so that we can jumpstart the economy and help move it forward. Very concrete plans about how we're going to invest in education so every one of our young people have the skills to compete in this new global economy.

You know what the other side's big idea is? And I'm not exaggerating, they've got one idea. And their idea is to cut taxes for the top 2 percent wealthiest Americans. Would mean an average \$100,000 check to millionaires and billionaires; it would cost \$700 billion that we do not have. We'd have to borrow it from China. And when you ask them, well, how else are you going to pay for it other than just borrowing, they say, well, we'll cut some programs. It turns out part of what they're proposing is a cut of 20 percent in our education budget.

AUDIENCE: Boo!

THE PRESIDENT: Now, think about this. Do you think at a time when education will probably make more of a difference in terms of how well our economy performs than any other single indicator—(applause)—that we should be cutting education by 20 percent? Do you think China is cutting it by 20 percent? You think Germany and South Korea are cutting education by 20 percent? Of course not. Because they're not playing for second place. They're playing for first place. And we need to play for first place. That's what we do in the United States of America. (Applause.)

That's why, with the help of a Democratic Congress, we took tens of billions of dollars that were being put into unwarranted subsidies for banks in the student loan program. We said, let's not do that. Let's have the money go where it belongs—to the students. And we now have millions more young people who are able to get student loans and Pell Grants—(applause)—higher levels of grants, a \$10,000

tuition relief credit for each student. That's our agenda for economic growth. That's what's going to make a difference.

That's why when we talk about tax cuts, we want to give permanent tax relief to middle-class families. They need the relief. That's the choice in this election. (Applause.)

Look—and let me just say, they've already said, the other side has already said, we're going to roll back regulations and put special interests back in charge in Washington. This is not me making it up. The person who would take over the energy committee in the House of Representatives is the guy who apologized to BP when we said, you've got to pay for all the small businesses and families that have been—and fishermen that have been hurt by the oil spill.

AUDIENCE: Boo!

THE PRESIDENT: That's the head of the energy company [sic]. Another one of their members has already promised that one of their first orders of business would be to repeal Wall Street reform. Now, we just went through the worst financial crisis in our history, and we finally now have some rules of the road that are going to say no taxpayer bailouts; you got to have higher capital requirements. We're going to make sure that we've got tough overseers that protect consumers from everything from predatory mortgages to unwarranted credit card fees. And their main agenda is rolling these rules back? Why? Why would we do that?

We can't let that happen, Providence.

AUDIENCE: No!

THE PRESIDENT: Look, we believe in making sure that people don't get ripped off when they sign up for a mortgage. We believe credit card companies shouldn't be able to jack up your rates without notice. We believe that insurance companies, if you're paying your premiums, they actually have to pay when you get sick. They can't drop your health insurance when you get sick. (Applause.)

We think it's a good idea that young people should be able to stay on their parents' health insurance until they're 26 years old. (Applause.) We think it's a good idea that senior citizens see that doughnut hole closed so that they can actually afford their prescription

drug coverage. (Applause.) Those are ideas that we believe can move America forward.

That's the choice in this election. We believe Social Security should never be privatized, not as long as I'm President. (Applause.) We're not going to take the retirement savings of a generation of Americans and hand it over to Wall Street. That's the choice in the election. That's what we're fighting for.

But understand, the other side is fighting back. The same special interests we've been battling on your behalf over the last two years, they are fighting back hard. And they are now using these phony front groups to funnel hundreds of millions of dollars in negative ads all across the country, distorting the records of Democrats. And you know what? They are not even willing to disclose where the money is coming from. You don't know. Could be from insurance companies. Could be from oil companies. Could be from Wall Street banks. You don't know.

This is all the consequence of a Supreme Court decision, so don't let anybody tell you the Supreme Court doesn't matter. That's why I put Sonia Sotomayor and Elena Kagan there. (Applause.) We need to have some Supreme Court justices who are looking out for you.

But because of this campaign finance loophole, you've got hundreds of billions of dollars. It's not just a threat to Democrats. It's a threat to our democracy.

I mean, imagine if you can—if special interests can just spend as much money as they want and you don't know who they are. They've got these innocent-sounding names: "Americans for Prosperity" or "Moms for Motherhood." (Laughter.) No, I made the last one up. (Laughter.) But you don't know.

And that cheapens our discourse. It hurts our democracy. And there's only one way to fight back against those millions of dollars, and that's with the millions of voices of people like you. (Applause.) It's all of you saying—it's all of you being willing to finish what we started in 2008.

I've got to have you come out in droves and vote in this election. You've got to come out and vote. And, look, if everybody who voted

in 2008 votes in 2010, we are confident we will win this election. (Applause.)

And a lot of you—a lot of you got involved in 2008, some of you for the very first time, because you understood that we're at a crossroads in our history; that the decisions that we make now don't just affect us, they affect our children and our grandchildren and our great-grandchildren. That's why some of you knocked on doors. That's why some of you made phone calls. That's why many of you stood in line to cast your ballots.

And it turns out, you know what, actually delivering change is very hard. I warned you. (Laughter.) I said it was going to be hard. And so over the last two years, we've been grinding it out. And sometimes I know it gets frustrating. Some of you may get discouraged. You say, gosh, we have these bigger majorities, and things are being filibustered, and there's all this nastiness on TV. And maybe you just can't change politics.

But I want everybody to understand we're just in the first quarter. We got a whole game to play. (Applause.) We've got a whole game to play. We've got a whole game to play. (Applause.)

And I want everybody here to understand that because I've had good teammates, like the folks you sent here from Rhode Island, we have made a huge difference. Don't let anybody tell you we haven't made a difference.

Because of you, there's somebody here in Rhode Island somewhere who is going to be able to get their treatment for cancer without having to give up their house or go bankrupt. Because of you, there are folks—small businesses right here in New Hampshire—who are able to keep their doors open in the depths of recession.

Because of you, there are young people right here in Rhode Island who are going to be able to go to college and otherwise couldn't go to college. Because of you, there are 100,000 young men and women who are returning home from Iraq—because of you. (Applause.) Because of the things that you did in 2008, we have made huge changes.

So don't let people tell you you're not making a difference. Yes, it's hard. But it's always been hard. The history of America has been

hard, starting with a revolution to found this country. The idea of America is hard, based on a document and ideas that had never been tried before: “We hold these truths to be self-evident, that all men are created equal, endowed by their Creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness.”

That’s a hard idea. And we had to overcome slavery. We had to fight for women’s rights. And we had to fight for workers’ rights. (Applause.) But each successive generation hasn’t shied away just because it’s hard. We kept on going. We kept moving forward.

And that’s why we’re here today. And we want 20 years from now, 30 years from now, 100 years ago—100 years from now, we want people to be able to look back and say, you know what, this generation did the same thing. That same spirit that got us through war and depression, that helped to perfect this union, that same spirit is alive and well in 2010.

That’s what I need all of you to show me. And if you do, I promise you David is going to Congress. (Applause.) And we will continue to help rebuild the American Dream for all people.

Thank you very much, Rhode Island. God bless you. God bless the United States of America. (Applause.)









