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Remarks at the Intel Corporation Ocotillo Campus in Chandler, Arizona
January 25, 2012

The President. Hello, Arizona! Thank you. Well, thank you, everybody. It is good to be in Arizona. The weather is good. You can't have better weather than this. Can't do it.

I want to thank Preston for that wonderful introduction. I want to acknowledge a few folks we have with us this afternoon. Mayor Tibshraeny is here. Give him a big round of applause. Mayor Stanton is here. All the tribal leaders who are here today.

Audience member. Clap your hands for Barack, *mi hermano*! [*Laughter*]

The President. Mi hermano. Mucho gusto. [*Laughter*]

Let me say how happy I was to see one particular Arizonan last night: Gabby Giffords. I was able to give her a big hug and just tell her we could not be happy—more happy to see her. I mean, she just looked gorgeous last night. And she's been an inspiration. Her husband Mark has been just a great friend and a great public servant and a hero to so many of us. And Michelle and I are going to be thinking of her as she continues her recovery here in Arizona. And she loves this State and she loves all of you. So it was wonderful to see her.

Audience member. Gabby! Gabby!

The President. Now last year, I had the chance to tour one of Intel's plants in Oregon. And basically, the engineers explained what happens inside these factories, and I pretended that I understood—[*laughter*]—what they were talking about. No, it's true. We were on this tour, and we were looking through these microscopes, and you'd look at some little spots in the microscope, and you'd say, "Well, what's that?" And they'd say, "Well, that's atoms." [*Laughter*] "Really?" And it was so remarkable that my Trip Director, who was with me, he said, "This stuff's like magic." [*Laughter*] "How do they do this?"

And while I was there, Intel's CEO, Paul Otellini, someone whose advice I rely on as a member of my Jobs Council, announced—he announced that Intel would be building a new factory here in Arizona. A factory which will turn out some of the fastest and most powerful computer chips on Earth. A factory so big, I'm told that right there is the world's largest land-based crane—can pull up to, what is it, 4,000 tons? Is that right, Preston?

Ocotillo Campus Construction Program Manager Preston McDaniel. Yes, sir.

The President. Four thousand. So not only that, but Paul informs me that the microscopes that they're going to have here will be twice as good as the ones they had—[*laughter*]—up in Oregon. So I decided I had to check this out for myself, because, honestly, first of all, who wants to miss out a chance to see the crane? [*Laughter*] That thing is huge.

But there's a more important reason that I'm here. I'm here because the factory that's being built behind me is an example of an America that is within our reach, an America that attracts the next generation of good manufacturing jobs, an America where we build stuff and make stuff and sell stuff all over the world.

We can do that. But we've got to come together. We've got to come together and restore the basic American promise that if you work hard, you can do well enough to raise a family and own a home, send your kids to college, put a little away for retirement, maybe come down to

Arizona, where the weather is like this all the time. [*Laughter*] It never gets above 70 degrees, does it? [*Laughter*] Look, that's what people are looking for. They don't expect anybody to give them anything, but they want to be able to earn and deserve security, the ability to take care of their families, dignity in their retirement. That's what Americans are looking for. That's what they deserve.

Now, we're still recovering from one of the worst economic crises in three generations. We lost nearly 4 million jobs in the 6 months before I took office, another 4 million before our policies had a chance to take full effect. But here's the good news. Over the last 22 months, our businesses have created more than 3 million jobs. Last year, they created the most jobs since 2005. Today, American manufacturers are hiring again and creating jobs for the first time since the 1990s.

So our economy is getting stronger, and we've come too far to turn back now. After all that's happened, there are folks in Washington who want to do that, who want to turn back. It's like they're suffering from a case of collective amnesia. [*Laughter*] They want to go back to the very same policies that got us into this mess, same policies that have stacked the deck against middle class Americans for too many years. A philosophy that says we're better off if everybody is just fending for themselves and everybody can play by their own rules.

I'm here to say they're wrong. I don't accept the notion that there's nothing we can do to accept—to meet our Nation's greatest challenges. There are all kinds of steps we can take. We can't go back to an economy that's weakened by outsourcing and bad debt and phony financial profits.

And last night at the State of the Union, I laid out a vision of how we move forward, laid out a blueprint for an economy built to last. It's an economy built on American manufacturing, with more good jobs and more products made in America. It's an economy built on American energy fueled by homegrown and alternative energy sources that make us more secure and less dependent on foreign oil. It's an economy built on the skills of American workers, getting people the education and the training they need so they're prepared for the jobs of today and ready to compete for the jobs of tomorrow.

And most importantly, it's an economy that's built on a renewal of American values: hard work, responsibility, the same set of rules for everybody, from Wall Street to Main Street. That has to be our future. That's how we restore the basic American promise. And it starts with manufacturing, both old industries, but also new industries, like Intel.

Look at what's happened in the auto industry. On the day I took office, it was on the verge of collapse. Some people said we should let it die. But we had a million jobs at stake, and I refused to let that happen. And so we said to the auto companies, in exchange for help, we're going to demand responsibility. We've got to make sure that the industry retools and restructures. And that's what they did. And over the past 2 years, the entire industry has added nearly 160,000 jobs. GM is number one in the world again. Ford is investing in new plants. Chrysler's on the mend. The American auto industry is back.

Now, what's happening in Detroit can happen in other industries. I want it to happen all across Arizona. This project—thanks to the leadership of Paul and the incredible engineering prowess of Intel—this project's going to employ thousands of construction workers who will put in more than 10 million hours on the job. When this factory is finished, Intel will employ around a thousand men and women, making the computer chips that power everything from your smart phone to your laptop to your car.

As an American, I'm proud of companies like Intel, who create jobs here. We all are. So let's help them grow and hire even faster. We have a huge opportunity to create more high-tech manufacturing jobs in the United States and bring some of these jobs back from overseas. But we're going to have to seize the moment. That starts with changing our tax system.

Right now, companies get all kinds of tax breaks when they move jobs and profits overseas. But when a company chooses to stay in America, it gets hit with one of the highest tax rates in the world. That doesn't make sense. We've been talking about changing it for years. Republicans and Democrats have said that doesn't make sense. Well, let's get it done. Let's stop rewarding businesses that ship jobs overseas. Let's reward companies like Intel that are investing and creating jobs right here in the United States of America.

Now look, we live in a global economy. If a company wants to do business overseas, of course it's their right. But we shouldn't subsidize it. What we should do are subsidize and help and give tax breaks to companies that are investing here, that bring jobs back from overseas, high-tech manufacturers like Intel.

Today my administration is laying out several concrete actions we could take right now that would discourage companies from outsourcing jobs, encourage them to invest in the United States. Congress needs to send me this tax reform. I want to sign it right away, because I want to put more people to work right here in the United States.

Now while we're at it, we need to make it easier for American businesses to sell our products all over the world. Two years ago, I set a goal of doubling U.S. exports within 5 years, which will create good, new manufacturing jobs. And we are on track to meet that goal. And soon, thanks to the new trade agreements that I've signed, there are going to be new cars on the streets of other countries that are imported from Detroit and Toledo and Chicago.

And we need to invest in education. We want tomorrow's workers—we want Arizona's workers—to have the skills they need for the jobs like the ones that will be opening up here. And I have to tell you, I've been to these plants at Intel—young people, you'd better have done some math before you get in here. [*Laughter*] There—you know, you can't just kind of wander in and you didn't do some math in school. [*Laughter*]

And I want to thank Intel for leading the way, because they're investing in startups, they're supporting science and math education, they're helping to train new engineers. Paul is chairing a project that we initiated through the Jobs Council. We're looking to get thousands more engineers all across America. And for the young people who are out there who are thinking about a profession, think about engineering. We can use more engineers all across America.

We're also going to need to look at clean energy and innovation in the energy field. We have—as I said last night, oil production is higher than it's been in 8 years. We're actually importing less oil as a percentage than any time in the last 16 years. So we're opening up the oil and the gas industry here in the United States. But they don't need subsidies. We need to stop subsidizing oil companies and use that money to invest in clean energies like wind and solar and high-tech batteries. Those are industries that are already creating new jobs and making us even less dependent on foreign oil.

And an economy built to last also means we've got to renew American values: fair play, shared responsibility.

When it comes to tax policy, my first priority right now is to stop a tax hike on 160 million working Americans at the end of next month. People can't afford losing $40 out of each

paycheck. Not right now. Your voices convinced Congress to extend this middle class tax cut before. I need your help again. Let Congress know: Pass this tax cut without drama, without delay. Get it done. It's good for the economy.

But in the longer run, we're going to have to both invest in our future—invest in education so we're producing more engineers, invest in clean energy, invest in our infrastructure—and we have to do all this at the same time as we've got to get our fiscal house in order. And that means we've got to make choices.

Right now, we're supposed to spend nearly a trillion dollars more on what was intended to be a temporary tax cut for the wealthiest 2 percent of Americans. A quarter of all millionaires pay lower tax rates than millions of middle class households. Warren Buffett pays a lower tax rate than his secretary. I know because his secretary was at the State of the Union yesterday. [*Laughter*] Now, that just doesn't make any sense.

Because we've got to make choices: We could keep those tax breaks for folks like me, or we could keep investing in everything that's going to make this country strong: education and basic research and our military and caring for our veterans.

So I've said, let's follow the Buffett rule—named after Warren: If you make more than a million dollars a year, you should pay a tax rate of at least 30 percent. On the other hand, if you make less than $250,000 a year—which is 98 percent of you—your taxes shouldn't go up. And I just want to make clear, the reason I proposed this is not because we begrudge financial success in this country. We strive for it. We encourage it. I want everybody here to be rich. Go out there, work, create new businesses. Fulfill your dreams. But I think asking a billionaire to pay at least as much as his secretary in taxes is just common sense, especially when we're trying to figure out how to reduce our deficit.

And I promise you, look, Warren Buffett will do fine. [*Laughter*] I will do fine. We don't need more tax breaks. The middle class needs help. They're the ones who've seen wages stall. They're the ones who've seen the cost of everything from groceries to college tuition go up. You're the ones who need a break.

Again, we don't begrudge success in America. We encourage it. We aspire to it. When we talk about everybody paying their fair share, it's not because anybody envies the rich. Earlier today, Bill Gates said that he agrees that Americans who can afford it should pay their fair share. I promise you, Bill Gates doesn't envy rich people. [*Laughter*] He feels pretty comfortable that he's doing okay. It just has to do with basic math. We're going to have to reduce our deficit, and if I get tax breaks that I don't need and the country can't afford, if a Bill Gates or a Warren Buffett get tax breaks that they don't need and can't afford, then one of two things is going to happen. Either it adds to our deficit, or it's going to take away from somebody else, whether it's a senior or a student or a family who's trying to get by. And that's not right. That's not who we are.

Each of us is only here because somebody somewhere felt a responsibility to the country and people felt a responsibility to each other, because we understood that we're all in this together.

Intel's former CEO, the legendary Andy Grove, he put—he said it best. He said, look, I feel an obligation to my shareholders. I run a business; they've invested; I've got to make sure they get a good return. That's how the free market works, that's how it's supposed to work, that's what produces the extraordinary wealth of this country. But he also said—and I'm quoting here—"There is another obligation I feel personally, given that—given everything I've

achieved in my career—and a lot of what Intel has achieved—were made possible by a climate of democracy, an economic climate and investment climate provided by the United States."

So his argument was, his first obligation to his shareholders, but he also has an obligation to this country that provided extraordinary opportunity. And that's something that all of us feel—or something that we should all feel.

I think Andy Grove was right. This Nation is great because we built it together, because we overcame challenges together. I believe we can do it again. I believe it because we've done it in the past. I believe it because I see it in places like Chandler. I believe it when I talk to folks like you. I know this country exists only because generations of Americans have worked hard, have fulfilled their responsibilities, have cared for their families, but they've also cared for their communities, and they've also looked out for each other. They've lived out the idea that we're in this together.

These values are not Democratic values or Republican values, they're American values. We've got to return to those values. It's our turn to be responsible. It's our turn to leave an America that's built to last.

So we're going to keep moving on American manufacturing. We are going to keep moving on American energy. We are going to keep making sure that American workers get the skills they need. We are going to invest in American innovation and basic science and research. We are going to make sure that we are training those engineers that we need. We are going to make sure that we return to the values of fair play and responsibility.

And I know that if we work together with common purpose, we can build an economy that gives everybody a fair shot. We can meet this challenge, and we'll remind the world once again just why the United States of America is the greatest nation on Earth.

Thank you very much, Arizona. God bless you. God bless America.

NOTE: The President spoke at 4:31 p.m. In his remarks, he referred to Mayor Jay Tibshraeny of Chandler, AZ; Mayor Greg Stanton of Phoenix, AZ; Rep. Gabrielle D. Giffords, and her husband Mark E. Kelly; White House Trip Director Marvin Nicholson; Warren E. Buffett, chairman and chief executive officer, and Debbie Bosanek, assistant, Berkshire Hathaway Inc.; and William H. Gates III, chairman, Microsoft Corp.

Categories: Addresses and Remarks : Intel Corporation Ocotillo Campus in Chandler, AZ.

Locations: Chandler, AZ.

Names: Bosanek, Debbie; Buffett, Warren E.; Gates, William H., III; Gifford, Gabrielle D.; Grove, Andrew S.; Kelly, Mark E.; McDaniel, Preston; Nicholson, Marvin; Obama, Michelle; Otellini, Paul S.; Stanton, Greg; Tibshraeny, Jay.

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education :: Career training and continuing education; Education : Science and math programs; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Energy : Alternative and renewable sources and technologies :: Promotion efforts; Energy : Oil and gas industry :: Subsidies, elimination; Science and technology : Research and development; Taxation : Corporate tax rates; Taxation : Payroll tax cut; Taxation : Tax Code, reform; Transportation : Infrastructure, national, improvement efforts; White House Office : Assistants to the President :: Trip Director.

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