

Remarks to the Business Roundtable

March 6, 2012

Thank you very much, everybody. It is good to see all of you. Jim, thank you for the introduction. It is a privilege to be with the men and women of the Business Roundtable. Over the past 3 years, we've worked together on a number of issues, and we've found common ground on an awful lot of them.

Some of you have dedicated your time and energy and expertise to serving on my Jobs Council or my Export Council. Others have hosted me or Cabinet members at your companies, at your plants, at your distribution centers. And this engagement has been incredibly productive for us. It's helped to shape our collective work and to get this economy growing again. So I just wanted to say thank you for that.

Tonight I want to keep that engagement going, so I'm going to keep my remarks at the top relatively brief. I'm looking forward to hearing about your new "Taking Action for America" report. And I'm going to, hopefully, spend as much time listening as I do talking.

But the last time I addressed this group was just over 2 years ago, when we were still working to clear away the wreckage from what turned out to be the worst economic crisis that we've seen since the Great Depression. And obviously, we've got a long way to go. We've still got millions of people who are out of work. We still have a lot of folks whose homes are underwater. There are enormous economic challenges that lie ahead, and we're going to have to think strategically and systematically about how we restore a sense of middle class security for Americans who are doing the right thing, working hard, looking to support their families.

The good news is, over the last 2 years, businesses like yours have created over 3.7 million new jobs. The American auto industry has come back. Companies are bringing jobs back to America. Manufacturers are adding new jobs for the first time since the 1990s.

And I've seen it firsthand in many of your companies. Most recently, I went to the Boeing plant out in Washington State. And Jim informed me that last year, orders for commercial aircraft rose by more than 50 percent, and they had to hire 13,000 workers all across America just to keep up. And I have to say that given the number of planes that I've been selling around the world, I expect a golden watch upon my retirement. *[Laughter]*

So the economy is getting stronger, and the recovery is speeding up. And the question now is, how do we make sure that it keeps going?

I've been talking a lot recently about how we can do that: how we can help companies like yours hire more workers, bring more jobs back to America; how we can leave an economy that's not just restored to precrisis levels, but position ourselves to be competitive in this 21st-century economy over the long term, an economy built to last.

I think we have to focus on our core strengths: American manufacturing, American energy, American innovation, the best skills and education for American workers.

Right now, on the manufacturing front, I think we've got a huge opportunity. What's happened in the auto industry can happen in other areas, and we've got to make sure that we understand even though manufacturing will not be the same percentage of our economy as it once was, it still remains this incredible multiplier for services and consumers and prosperity all

across America. That's why I want to thank Andrew Liveris. Where's Andrew? There he is. Andrew is helping us to do some terrific work as part of our Advanced Manufacturing Partnership. And obviously, part of our job as the Federal Government is to make sure that the R&D, the basic research is continuing to be done, and figuring out how we commercialize that, create products here in America, and sell them all around the world is going to be absolutely critical.

Thanks to new bipartisan trade agreements that I've signed with Panama, Colombia, and, most significantly, South Korea, we're on track to meet our goal of doubling American exports over the next 5 years. And I know the BRT was very helpful in making sure that that happened.

I think I've shown that I will go anywhere in the world to open new markets for American goods. That's why we worked so hard to secure Russia's invitation into the WTO. That's why I have asked Congress to repeal Jackson-Vanik, to make sure that all your companies and American companies all across the country can take advantage of it. And that's something that we're going to need some help on.

This is about creating a level, rules-based playing field in the growing Russian market. Because when it comes to competing for the jobs and the industries of tomorrow, no foreign company should have an advantage over American companies. When the playing field is level, American companies will win, American workers will win, and this country will win.

And one of the most important things Congress can do right now for companies like yours, to sell your ideas and your products and your services around the world, is to reauthorize the Export-Import Bank at the appropriate funding level. This is something that we're going to be focused on in the coming weeks and months.

During the financial crisis, trade finance dried up all around the world, and the Ex-Im Bank lived up to its mission. It stepped up to fill the void at record levels, and at no cost to taxpayers. In fact, since 2005, Ex-Im has returned billions back to the U.S. Treasury. So this is a smart thing to do for American businesses and American jobs.

It is an indispensable resource for our exporters, especially since many of your competitors are getting aggressive financing from their governments. So I'm asking your help in making sure Congress does the right thing on this front.

I've also shown that I won't stand by when our competitors don't play by the rules. A lot of you are expanding into growth markets, in emerging markets in Asia-Pacific region. But many of you, at least privately, have indicated to me that it gets harder and harder to do business there in terms of protecting your intellectual property, competing against indigenous innovation laws. And so what we are doing is setting up a trade enforcement unit to aggressively investigate and counter unfair trade practices all around the world, including countries like China.

And if you're a CEO that's willing to bring jobs back to America, we want to do everything we can to help you succeed. That means working together to reform our tax system so that we are rewarding companies that are investing here in the United States, making sure that we are able to cut our tax rate here but also broaden the base. That is going to be a difficult task. Anybody who has been involved in tax discussions in any legislature, but especially Congress, knows that it's like pulling teeth. But it is the right thing to do for us to become more competitive.

We're also going to have to make significant investments in American energy. I am very proud of the fact that American energy output is reaching record levels. We are seeing the highest oil production in the last 8 years. At the same time, because so many of your companies have become more efficient, we're actually seeing a reduction in imports—in fact, below 50 percent for the first time back in 2010, the first time in a decade.

But we've got more work to do, and it's going to require an all-of-the-above strategy. Obviously, folks are getting killed right now with gas prices. And that has an impact on all of your companies, because consumers are more price sensitive when it comes to filling up their gas tank than just about anything else. That means, yes, we've got to produce more oil and more natural gas, and we are game for that. It also means, though, we've got to invest in the energy sources of the future.

We've got to invest in clean energy. We've got to invest in efficiency. We've got to make sure that the advanced batteries for electric cars, for example, are manufactured here in the United States.

And then the final thing we're going to have to do is make sure that we have the skills and the training for our workers that are unmatched around the world. There has been a lot of talk about education reform; we've actually implemented education reform. And we've been able to get more than 40 States to raise standards, to start looking at best practices to figure out how we can train teachers more effectively, make sure that teachers who aren't doing a good job are getting the kind of training they need or they're not in the classroom, but also rewarding those folks who are stepping up to the plate and making sure our kids are prepared.

It also means matching up companies with our community colleges to train people for the jobs that actually exist. And I know that companies like Siemens and UPS are doing a great job on this front. We want to continue to push that forward.

Two last points: One is, I will not give up on the need for us to rebuild America's infrastructure. When you think about your own businesses, if you know that you've got to make some capital investments and interest rates are historically low and it is a buyer's market, you act, understanding that you've got to project 5 years out, 10 years out, 20 years out. Well, that's the situation our country faces. I make no apologies for being chauvinistic when it comes to wanting to have the best airports, the best roads, the fastest broadband lines, the best wireless connections here in the United States of America. And now is the time for us to do it, and we're going to need BRT's help.

That will be good for business. It will allow you to move goods and services more quickly around the world. It will put people back to work. It will be a boost for our economy. And it will increase our productivity and efficiency over the long term.

And the final thing I just want to make mention of is the issue of how we pay for all these things. There obviously, over the last couple of years, has been an enormous debate about deficits and debt, and I'm sure we'll have a chance to talk about that more during the Q&A.

The fact of the matter is that we have already made significant cuts when it comes to discretionary spending. We are pruning this Government to make sure the programs that don't work we eliminate, so that we can invest in the programs that are necessary for our growth. We're going to have to make some continued reforms when it comes to, particularly, our health care system, because it is still too expensive and we've got an aging population that we're going to have to take care of.

But we're also going to have to deal with revenue. And that's something that I think that the American people instinctually understand, that if we do this in a balanced way, we can solve our problems. This is not a situation that is analogous to Greece. We don't have to cut by 25 percent and raise taxes by 25 percent. That's not the situation we find ourselves in. These are relatively modest adjustments that can stabilize our economy, give you the kind of business confidence you need to invest, and make sure that America wins for the future.

I'm prepared to be a partner in that process. But we're going to have to have everybody pulling together. The business community is going to have an important voice in how that moves forward.

So with that, I want to thank you again, and I look forward to the questions and the comments.

NOTE: The President spoke at 7:06 p.m. at the Newseum. In his remarks, he referred to W. James McNerney, chairman, Business Roundtable, who introduced the President; and Andrew N. Liveris, chairman and chief executive officer, Dow Chemical Co.

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