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Remarks by the President on College Affordability, Ann Arbor, Michigan

Now, in the State of the Union on Tuesday, I laid out a blueprint that gets us there. Blueprint — it's blue. (Laughter and applause.) That's no coincidence. I planned it that way. Michigan. (Laughter.) A blueprint for an economy that's built to last.

It's an economy built on new American manufacturing — because Michigan is all about making stuff. (Applause.) If there's anybody in America who can teach us how to bring back manufacturing, it is the great state of Michigan. (Applause.)

On the day I took office, with the help of folks like Debbie Stabenow, your senator, and Carl Levin and -- (applause) -- John Conyers — the American auto industry was on the verge of collapse. And some politicians were willing to let it just die. We said no. We believe in the workers of this state. (Applause.) I believe in American ingenuity. We placed our bets on the American auto industry, and today, the American auto industry is back. Jobs are coming back -- (applause) -- 160,000 jobs.

And to bring back even more jobs, I want this Congress to stop rewarding companies that are shipping jobs and profits overseas, start rewarding companies who are hiring here and investing here and creating good jobs here in Michigan and here in the United States of America. (Applause.)

So our first step is rebuilding American manufacturing. And by the way, not all the jobs that have gone overseas are going to come back. We have to be realistic. And technology means that a larger and larger portion of you will work in the service sector as engineers and computer scientists. (Applause.) There you go. We got the engineering school -- there you go. (Applause.) And entrepreneurs. So there's going to be a lot of activity in the service sector. But part of my argument, part of the argument of Michigan's congressional delegation is that when manufacturing does well, then the entire economy does well.

The service sector does well if manufacturing is doing well, so we've got to make sure that America isn't just buying stuff, but we're also selling stuff -- all around the world, products stamped with those three proud words: Made in America. (Applause.)

An economy built to last is also one where we control our energy needs. We don't let foreign countries control our energy supplies. Right now, America is producing more of our own oil than we were eight years ago. That's good news. (Applause.) As a percentage, we're actually importing less than any time in the last 16 years.

But -- I think young people especially understand this -- no matter how much oil we produce, we've only got 2 percent of the world’s oil reserves. And that means we've got to focus on clean, renewable energy. (Applause.) We've got to have a strategy that, yes, is producing our own oil and natural gas. But we've also got to develop wind and solar and biofuels. (Applause.)

And that is good for our economy. It creates jobs. But it's also good for our environment. (Applause.) It also makes sure that this planet is sustainable. That's part of the future that you deserve.

We've subsidized oil companies for a century. That's long enough. Congress needs to stop giving taxpayer dollars to an oil industry that's never been more profitable, and double down on a clean energy future that's never been more promising. (Applause.)

I don't want to cede the wind or the solar or the battery industry to China or Germany because we were too timid, we didn't have the imagination to make the same commitment here. And I want those jobs created here in the United States of America. And I also want us to think about energy efficiency, making sure -- we've already doubled fuel efficiency standards on cars. Part of Detroit coming back is creating more fuel-efficient cars here in Michigan -- (applause) -- and more fuel-efficient trucks. And we've got to revamp our buildings to make them more fuel-efficient.

And we -- if we are focused on this, we can control our energy future. That's part of creating an America that's built to last.

And we've got to have an economy in which every American has access to a world-class higher education, the kind you are getting right here at the University of Michigan. (Applause.)

My grandfather got the chance to go to college because this country decided that every returning veteran of World War II should be able to afford it. My mother was able to raise two kids by herself because she was able to get grants and work her way through school. I am only standing here today because scholarships and student loans gave me a shot at a decent education. Michelle and I can still remember how long it took us to pay back our student
AUDIENCE MEMBER: Tell the First Lady we wish her happy birthday!

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campus-based aid to those colleges that keep tuition affordable, provide good value, serve their students well. (Applause.) We are putting colleges on notice -- you can’t keep -- you can’t assume that you can just jack up tuition every single year. If you can’t stop tuition from going up, then the funding you get from taxpayers each year will go down. We should push colleges to do better. We should hold them accountable.

We call this -- one of the things that we’re doing at the Consumer Finance Protection Board that I just set up with Richard Cordray -- (applause) -- is to make sure that young people understand the financing of colleges. He calls it, “Know Before You Owe.” (Laughter.) Know before you owe. So we want to push more information out so consumers can make good choices, so you as consumers of higher education understand what it is that you’re getting.

And you know what else it means? It means that we renew the American values of fair play and shared responsibility. (Applause.) Shared responsibility.

I talked about this at the State of the Union. We’ve got to make sure that as we’re paying for the investments of the future that everybody is doing their part, that we’re looking out for middle-class families and not just those at the top. The first thing that means is making sure taxes don’t go up on 160 million working Americans at the end of next month. (Applause.) People can’t afford to lose $40 out of every paycheck. Not right now. Students who are working certainly can’t afford it.

Your voices encouraged and ultimately convinced Congress to extend the payroll tax cut for two months. Now we’ve got to extend it for the whole year. I need your help to get it done again. Tell them to pass this tax cut, without drama, without delay. (Applause.) Get it done. It’s good for the economy. (Applause.)

AUDIENCE MEMBER: Four more years!

THE PRESIDENT: Okay. (Laughter and applause.)

Now, in the longer run, we’re also going to have to reduce our deficit. We’ve got to invest in our future and we’ve got to reduce our deficit. And to do both, we’ve got to make some choices. Let me give you some examples.

Right now, we’re scheduled to spend nearly $1 trillion more on what was intended to be a temporary tax cut for the wealthiest 2 percent of Americans.

AUDIENCE MEMBER: That’s not fair.

THE PRESIDENT: That’s not fair. A quarter of all millionaires pay lower tax rates than millions of middle-class households.

AUDIENCE: Boo --

THE PRESIDENT: Not fair. Warren Buffett pays a lower tax rate than his secretary. I know because she was at the State of the Union. She told me. (Laughter.) Is that fair?

AUDIENCE: No!

THE PRESIDENT: Does it make sense to you?
Those are the choices we've got to make. We can't do everything. We can't reduce our deficit and make the investments we need at the same time, and keep tax breaks for folks who don't need them and weren't even asking for them -- well, some of them were asking for them. I wasn't asking for them. (Laughter.) We've got to choose.

When it comes to paying our fair share, I believe we should follow the Buffett Rule: If you make more than $1 million a year -- and I hope a lot of you do after you graduate -- (laughter) -- then you should pay a tax rate of at least 30 percent. (Applause.) On the other hand, if you decide to go into a less lucrative profession, if you decide to become a teacher -- and we need teachers -- (applause) -- if you decide to go into public service, if you decide to go into a helping profession -- (applause) -- if you make less than $250,000 a year -- which 98 percent of Americans do -- then your taxes shouldn't go up. (Applause.)

This is part of the idea of shared responsibility. I know a lot of folks have been running around calling this class warfare. I think asking a billionaire to pay at least as much as his secretary in taxes is just common sense. (Applause.)

Yesterday, Bill Gates said he doesn't think people like him are paying enough in taxes. I promise you, Warren Buffett is doing fine. Bill Gates is doing fine. I'm doing fine.

AUDIENCE MEMBER: Koch Brothers.

THE PRESIDENT: They're definitely doing fine. (Laughter.)

We don't need more tax breaks. There are a lot of folks out there who are struggling, who've seen their wages stall, and the cost of everything from a college education to groceries and food have gone up. You're the ones who need that. You're the ones who need help. And we can't do both.

There have been some who have been saying, well, the only reason you're saying that is because you're trying to stir people up, make them envious of the rich. People don't envy the rich. When people talk about me paying my fair share of taxes, or Bill Gates or Warren Buffett paying their fair share, the reason that they're talking about it is because they understand that when I get a tax break that I don't need, that the country can't afford, then one of two things are going to happen: Either the deficit will go up and ultimately you guys are going to have to pay for it, or alternatively, somebody else is going to foot the bill -- some senior who suddenly has to pay more for their Medicare, or some veteran who's not getting the help that they need readjusting after they have defended this country, or some student who's suddenly having to pay higher interest rates on their student loans.

We do not begrudge wealth in this country. I want everybody here to do well. We aspire to financial success. But we also understand that we're not successful just by ourselves. We're successful because somebody started the University of Michigan. (Applause.) We're successful because somebody made an investment in all the federal research labs that created the internet. We're successful because we have an outstanding military -- that costs money. We're successful because somebody built roads and bridges and laid broadband lines. And these things didn't just happen on their own.

And if we all understand that we've got to pay for this stuff, it makes sense for those of us who've done best to do our fair share. And to try to pass off that bill onto somebody else, that's not right. That's not who we are. (Applause.) That's not what my grandparents' generation worked hard to pass down. That's not what your grandparents and your great-grandparents worked hard to pass down. We've got a different idea of America, a more generous America. (Applause.)

Everybody here is only here because somebody somewhere down the road decided we're going to think not just about ourselves, but about the future. We've got responsibilities, yes, to ourselves but also to each other. And now it's our turn to be responsible. Now it's our turn to leave an America that's built to last. And I know we can do it. We've done it before and I know we can do it again because of you.

When I meet young people all across this country, with energy and drive and vision, despite the fact that you've come of age during a difficult, tumultuous time in this world, it gives me hope. You inspire me. You're here at Michigan because you believe in your future. You're working hard. You're putting in long hours -- hopefully some at the library. (Laughter.) Some of you are balancing a job at the same time. You know that doing big things isn't always easy, but you're not giving up.

You've got the whole world before you. And you embody that sense of possibility that is quintessentially American. We do not shrink from challenges. We stand up to them. And we don't leave people behind; we make sure everybody comes along with us on this journey that we're on. (Applause.)

That's the spirit right now that we need, Michigan. (Applause.) Here in America, we don't give up. We look out for
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