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Obama to Press Centrist Agenda in His Address

By JACKIE CALMES and JEFF ZELENY

WASHINGTON — President Obama will outline an agenda for "winning the future" in his State of the Union address on Tuesday night, striking a theme of national unity and renewal as he stresses the need for government spending in key areas and an attack on the budget deficit.

Mr. Obama previewed the themes in a video e-mailed Saturday evening to supporters who had helped in his election campaign. But the video made plain that his speech would be geared more broadly toward the political center, to independent voters and business owners and executives alienated by the expansion of government and the partisan legislative fights of the past two years.

"My No. 1 focus," he said, "is going to be making sure that we are competitive, and we are creating jobs not just now but well into the future."

"These are big challenges that are in front of us," Mr. Obama also said in the video, sent to members of Organizing for America, his network of supporters from the 2008 campaign. "But we're up to it, as long as we come together as a people — Republicans, Democrats, independents — as long as we focus on what binds us together as a people, as long as we're willing to find common ground even as we're having some very vigorous debates."

The annual address on Tuesday, with much of the nation watching, will pull together themes suggested by Mr. Obama over the past two months as he has moved rapidly since the midterm elections to retool his presidency.

In his speeches, policy choices and personnel appointments, Mr. Obama has signaled that after two years in which his response to the economic crisis and his push for passage of the health care bill defined him to many voters as a big-government liberal, he is seeking to recast himself as a more business-friendly, pragmatic progressive.

That means emphasizing job creation, deficit reduction and a willingness to compromise in a new period of divided government. But it also means a willingness to make the case for spending — or investment, as many in his party would prefer to call it — in areas like education, transportation and technological innovation when it can be justified as essential to the nation's long-term prosperity.

In that sense, his political rebranding is timed to take advantage of signs that the economy is beginning to pick up steam, allowing Mr. Obama to use his State of the Union address as a pivot point not only for himself but also for the nation, especially in the wake of the Tucson shootings earlier this month.

Without going into detail, he will touch on issues like overhauling the corporate tax code and encouraging exports, and he will defend his health care law. Less clear is whether he will touch on social issues like gun control, which has become more prominent since the Arizona attack, which killed six and gravely wounded Representative Gabrielle Giffords and 12 others.

Mr. Obama has sounded similar notes in the past about global competitiveness, investing for the future and transcending partisanship. But on Tuesday he will look down from the dais in the House chamber on scores more Republican lawmakers than he did in previous addresses. Republicans now control the House and have a bigger Senate minority, including newly elected Tea Party adherents dedicated to undoing his agenda.

Some people touched by the Arizona tragedy will be in the gallery with Michelle Obama, according to administration officials; Ms. Giffords's husband, Capt. Mark E. Kelly, a NASA astronaut, was invited but is unlikely to attend.

Advisers say that Mr. Obama's address will be more thematic than heavy on specific policy initiatives.

He will probably call, for example, for overhauling the corporate tax code to allow lower rates by ending some current tax breaks, but without giving details.

Mr. Obama is unlikely, they said, to embrace the recommendations of a bipartisan majority on the debt-reduction commission he created, which proposed slashing projected annual deficits through 2020 with deep cuts in domestic and military spending, changes to Social Security and Medicare, and an overhaul of the individual and corporate tax codes to simplify them and to raise additional revenues.

In general, the theme of deficit reduction will be less prominent in the speech as Mr. Obama emphasizes spending "investments" and "responsible" budget cutting at a time when Republicans have proposed spending cuts, unspecified, of 20 percent or more. "We're also going to have to deal with our deficits and our debt in a responsible way," Mr. Obama said in the videotaped message. "And we've got to reform government so that it's leaner and smarter for the 21st century."

While most midterm presidents use the State of the Union to take credit for their achievements to date, Mr. Obama is constrained by the facts that unemployment remains above 9 percent, that his signature domestic achievement — the expansion of health insurance coverage — remains unpopular with nearly half the country, and that prospects for withdrawing many troops from Afghanistan later this year remain uncertain at best.

As he indicated to supporters, Mr. Obama plans to cite reasons for optimism but acknowledge that more needs to be done.

"An economy that was shrinking is now growing again. We've created more than a million jobs over the last year. The stock market is back up, and corporate profits are healthy again," he said in the video. "So we've made progress, but as all of you know, from talking to friends and neighbors, seeing what's happening in your communities, we've still got a lot more work to do."

The president, advisers said, will offer a vigorous defense of the health care law, which the House last week voted to repeal, by highlighting personal stories of how the new law has already helped ordinary Americans — by requiring insurance companies to cover people with pre-existing conditions, for example.

In last year's address, Mr. Obama ambitiously set a goal of doubling exports over the next five years, which he said would support two million new jobs. This year, he will probably say that American trade is well on its way to meeting that goal. The reasons for the successes so far, however, have more to do with areas outside the government's control, like China's decision last year to let its currency rise by 3 percent.

Advisers said the president would describe five "pillars" for ensuring America's competitiveness and economic growth: innovation, education, infrastructure, deficit reduction and reforming government.

After taking office at the height of an economic crisis and taking over bailouts of the financial and auto industries, both of which have recovered, Mr. Obama will say that while the

government no longer needs to intervene, it still should be an essential partner with the private sector through tax breaks and other incentives.

"He's making the transition from an economic security president to an economic growth president," said Jim Kessler, co-founder of the centrist organization Third Way, "and he's moving from the left to the center."

As in past years, national security issues will not take up a big portion of the address. But the president is likely to cite the successes that the United States military has had in killing and capturing hundreds of Qaeda fighters and their affiliates in Afghanistan and Pakistan.

He is also expected to mention the start of a troop withdrawal in July, although American and NATO officials all say that the size and pace of any withdrawal will be based on conditions in the region at the time.

Sheryl Gay Stolberg and Helene Cooper contributed reporting.