



FOR IMMEDIATE RELEASE
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Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding How the Tax Code Affects Hiring and Business Growth
As prepared for delivery

Benjamin Franklin wrote, "When men are employed, they are best contented."

Today, too many men and women are unemployed. These are Americans who have worked, want to work, and will work again. Our economy rests on the foundation of businesses, big and small, providing the goods and services that the market demands. And many Americans' livelihoods rest on businesses providing jobs, which are currently in short supply.

The unemployment rate is hovering around nine percent, and poverty has increased. Fourteen percent of Americans now live in poverty, including more than one-fifth of all U.S. children.

Many who are unemployed have been searching for work for more than a year. These Americans need a job, and the certainty that comes with going to work every day.

In this environment, the business community has an opportunity and an obligation to help get Americans back to work. Businesses need to step up to the plate by preserving good-paying jobs and creating new ones. This means not just waiting for demand to fully recover, but giving Americans a chance, including the long-term unemployed.

We want to make sure our tax code supports efforts to create jobs. Our ultimate goal is not simply economic growth for growth's sake or profitability for business owners alone. But job creation cannot occur without this growth.

We know that American businesses face obstacles achieving growth. Our economy is slowly recovering from the most significant recession since the Great Depression. Consumers are saving more and spending less, and banks are more cautious in their lending practices.

At the same time, competition is getting tougher in an increasingly globalized economy, and major new players are emerging in developing countries. In 1960, exports accounted for 3.6 percent of America's GDP. Today they account for nearly 12.5 percent, and sales are growing faster in markets outside the U.S. than they are here at home in most industries.

In today's global economy, we simply can't afford for the tax code to hamper businesses' ability to compete and create jobs here at home. We need corporate tax rules that encourage job creation and widespread economic growth.

Last year, we began a comprehensive review of America's tax system to understand how our tax code became so complex. More recently, we have held hearings addressing the need for tax reform. These hearings have looked at the goals we want our tax system to accomplish, and whether it effectively meets those objectives.

Of course, the tax code should raise the revenue necessary to finance the operations of the federal government. But we also want our tax system to spur long-term economic growth which can benefit more folks in Montana and across the country, and we want to promote fairness and certainty.

Americans need a tax code that helps them get back to work.

Today's witnesses will help us understand the effect our current tax code has on U.S. businesses and their hiring practices. They represent some of the largest employers in the U.S. I am grateful they are here with us today to discuss whether the tax code imposes undue burdens on business.

We are looking forward to hearing what factors drive their decisions about whether to hire new employees. And we need to identify the policies that are the most effective in helping these business leaders create more jobs.

Do we need to support innovation more effectively? Do we need to develop a more highly-educated work force? How can we level the playing field for U.S. companies competing overseas? How do we reduce incentives to locate new jobs abroad rather than at home?

I ask each of our witnesses to take off your hat as an advocate for your company. I ask you to tell us what your experience as a CEO has taught you about what is best for our country.

So let us focus on how the tax code can help our businesses create good-paying jobs today, and let us work together to improve the tax system to ensure widespread prosperity for all Americans.

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