

## JOBS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2013, the Chair recognizes the gentleman from Illinois (Mr. HULTGREN) for 30 minutes.

GENERAL LEAVE

Mr. HULTGREN. Thank you, Mr. Speaker.

Before I begin, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous materials on the topic of my Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HULTGREN. Mr. Speaker, as I begin, I do want to wish and hope that you and others of our colleagues had a very happy Father's Day yesterday. It is one of the most important things for fathers, and mothers, to be able to provide for their families.

Mr. Speaker, this evening I would like to talk about what for many Americans is probably the most pressing, or maybe depressing, issue our country is facing right now: jobs, unemployment and the need to create more jobs. But while we as a Nation face challenges, the roadmap to prosperity is clear. The question is, will we act on the recommendations of those who create the jobs, that drive our national economy, America's small businesses and entrepreneurs?

As I speak, the unemployment rate in the United States stands at 7.6 percent. According to the American Enterprise Institute, just 64.4 percent of working age men are employed, the lowest level by far since the Great Depression, and an astounding 5 percentage points lower than at the beginning of the current downturn. A staggering 4.4 million workers have been out of work for 27 weeks or longer.

□ 2130

In Illinois, my home State, the unemployment rate is even higher—at 9.3 percent. The unemployment rate in my home State has been at or above 8.6 percent since April of 2009; 611,000 people are currently out of work in Illinois.

According to the Bureau of Labor and Statistics, of the 26.3 million part-time workers, 7.8 million are working part time for economic reasons, meaning the job market wasn't robust enough to support full-time positions or they could only find part-time work.

Jobs, unemployment, job growth—all of these are issues on the minds of Americans because, directly or indirectly, all Americans are affected by them. When I meet with small businesses and employers around my district, I ask them, what would it take for you to create just one more job? I would love for them to create 10 more jobs or 20 more jobs or 50 more jobs; but I ask them, what would it take for you to create just one more job? They

tell me that the best way to spur job creation and economic growth is to reduce government regulations, cut taxes and simplify the Tax Code, and reduce the size of government by cutting spending.

Having a full-time, stable job and going to work every day is necessary just to meet the challenges of daily living. Americans' pocketbooks are pummeled every day. Take gas prices, for instance. The nationwide average price for a gallon of gas has jumped by more than \$1 in the last 4 years from \$2.58 a gallon in June of 2009 to \$3.64 a gallon in June of this year.

The price of gas in Illinois right now is averaging \$4.08 a gallon. That's 15 cents per gallon higher than this time last year. In the Chicago area and in my district, prices are even higher. The average price for a gallon of regular gas is a ridiculous \$4.28. This is just one example of how everyday life is becoming less and less affordable for ordinary Americans.

Creating good, full-time jobs must be our priority. But small business owners in my district tell me that in the current "business averse" climate, this is difficult, if not impossible, for them to do.

Jeff, the president of a small industrial pump manufacturing company, is not hiring. He would like to, but he says he can't. He says that "business owners have to be optimistic that the business environment will be suitable for business growth." He goes on to say, however, "The unfriendly business climate coming from Washington and the huge deficit spending reduces optimism that the business climate will continue to improve or even remain stable." Jeff also says, "Government regulations and high taxation create uncertainty—and government regulation and inflationary policies are driving up the cost of hiring. The primary resource of business needs is employees."

Then there's Tom, the president of a raw materials distribution company in my district, who says "the biggest thing holding me back from hiring is uncertainty of the future business climate." Tom said, "We have already seen health care cost increases of nearly 20 percent year over year in early 2013, which was on top of the 12 percent increase in 2012." Tom also stated, "We pay for 75 percent of the cost of health care for our employees. The parts of health care legislation yet to be implemented will probably penalize us even more for doing the right thing. We do not understand how health care legislation will impact our business."

The recommendations of the small businesses that create the jobs in this country—the "engines of the economy"—are critical to increasing employment and spurring growth in our national economy.

Reducing the regulatory burden on small businesses is one critical factor toward inducing them to hire more workers. The burdensome nature of

proposed Federal regulations is making long-term planning for businesses and growth virtually impossible. An inability to plan is having a paralyzing effect on local investment and hiring.

According to the National Federation of Independent Business, in only the last 3 months there have been 6,669 regulatory changes posted or notices posted on the Federal regulatory Web site. That's an average of 74 regulations per day. Let me repeat that: NFIB's own study says in only the last 3 months there have been 6,669 regulatory changes posted or notices posted on the Federal regulatory Web site, an average of 74 regulations every single day.

This regulatory morass forces small businesses to hold onto any extra revenue they may have for fear of new compliance costs. This means foregoing opportunities to invest or hire new workers. Some businesses are forced to close altogether.

A recent poll of the National Association of Manufacturers and the National Federation of Independent Business found that 62 percent of small business owners and manufacturers say the United States' own regulations, rules, and taxes impact their businesses more negatively than foreign competition. So our own regulations, according to a majority of business owners, are more harmful to them or more threatening to them than foreign competition.

Small businesses are the engine of our Nation's economy. They create about two-thirds of new jobs in the United States. They employ more than half of the private sector workforce. We need to unleash their potential.

So what can be done? Well, we must require regulatory authorities to review their regulations for usefulness and relevance and amend them as necessary to get rid of them if they are obsolete.

I have introduced legislation to do just that. H.R. 309, the Regulatory Sunset and Review Act, requires Federal agencies to regularly review regulations on their books and establish a process to sunset those that are duplicative, conflicting, or no longer necessary.

Small businesses need a seat at the table at the earliest stages of crafting regulations. Too often, regulators generating rules have little or no contact with the businesses affected by those regulations they implement and, thus, little knowledge of the impact on jobs.

Regulators need to assess the long-term costs and benefits of regulations—including how they will affect job loss and job creation—using the best available tools and adopt only those regulations whose benefits clearly outweigh the costs.

The regulatory process requires transparency and accountability. Sharing publicly the reasons why certain public input was not incorporated and disclosing the data, methods, and models underlying Federal regulatory decisionmaking are also important steps to restoring trust to the Federal regulatory process.

Reducing red tape is critical, but cutting taxes and implementing meaningful tax reform that incentivizes businesses to hire is also key to invigorating job growth. When taxes are lower, businesses invest their resources and hire more workers, which is exactly what we want. When taxes are lower, taxpaying citizens are able to keep more of their own money, money to spend as they see fit, to save, or to invest.

Congress must consider the impact tax policy is having on small businesses' ability to succeed when small businesses are a primary source of job creation in the United States and the engines of economic growth.

Small businesses—those with less than 500 employees—represent 99.7 percent of all employers, and employ almost half of the private sector labor force—55 million workers. In Illinois, again my home State, small businesses represent 98.3 percent of all employers and provide jobs to 2.4 million workers, about half of the private labor force.

So when it comes to economic and tax policy, we need to listen to Main Street small businesses and mom-and-pop shops that create the jobs in this country. This is what they are saying when it comes to taxes and spending:

Ninety-one percent of small businesses find that the Tax Code is complicated enough to hire their own tax preparer.

Eighty-five percent think Congress should revise the Tax Code.

Eighty-one percent think government should cut spending before ever considering tax increases.

Seventy-eight percent want to close tax loopholes.

And 71 percent agree that tax reform should include lowering the tax burden on small businesses.

Thus, to enable small businesses to create jobs and improve the employment climate in this country, tax rates must be low.

High tax rates are a problem for small businesses because they siphon off revenue owners need to reinvest for growth and to create jobs.

□ 2140

So what needs to be done?

The implementation of comprehensive tax reform that makes the Tax Code fairer, less burdensome, and more comprehensible for the folks who pay taxes and the small businesses that invest in hiring;

The permanent repeal of the estate, or death, tax, which I have long advocated is critical for small businesses and maintaining a healthy jobs climate. Many small businesses are family owned. The death tax is a major impediment for such businesses to keep operating in a down economy once the owner retires or dies. Protecting small businesses from the death tax is impor-

tant in order to keep Main Street businesses operating for future generations and for preserving their ability to create jobs as we try to grow this economy;

We should cut taxes to spur investment and hiring. Lower tax rates lower the cost of capital and increase the rewards for the risks that businesses take in hiring new workers. I support increasing the small business expensing limit so businesses can immediately recover their costs and invest in their businesses and hire new workers;

We must simplify the Tax Code. It is too complicated when 9 out of 10 small businesses must hire someone to prepare their own taxes. Making the Tax Code easier to understand and follow and not placing new reporting burdens on small businesses will help them focus on growing their businesses and creating jobs.

In addition to reducing regulatory burdens and cutting taxes, eliminating wasteful spending and reducing the size of government is key to job growth:

Current trends have government spending continuing to hover at 22 percent of gross domestic product for the next 10 years;

Continued spending adds to the \$16.6 trillion debt, and that, in turn, drives up interest costs to pay for borrowing;

The CBO estimates that interest paid on the national debt as a percentage of the overall budget will more than double from the current 6.2 percent of the budget to 14.1 percent, consuming an ever larger share of Federal resources.

Clearly, we do need to cut spending relative to the overall Federal budget. Cutting spending reduces the amount of money government takes from the private economy. Cutting spending and reducing the size of government relative to the private sector keeps more money in the private sector where it can be put to productive use, such as in hiring and creating jobs. Cutting wasteful spending and balancing our national budget will also absolutely help job growth.

It's simple: the Federal Government should not spend more than it takes in if we want to create an environment conducive to job creation. I have advocated for and have supported the budget my House colleagues passed this spring that balances the budget in 10 years by cutting spending and fixing our broken Tax Code so that it is fairer and simpler for everyone. I also support and have worked hard to pass a balanced budget amendment to the Constitution.

Requiring the Federal Government to live within its means and balance spending with the money it takes in, just as families in Illinois and across America have to do, will instill fiscal discipline required to get our economy moving in the right direction. This will

also promote confidence and create certainty within our Nation's private sector businesses so they can take productive steps towards hiring workers and growing their businesses.

According to the small businesses I meet in my district, there are more things we can do to spur job creation in this country. We can open up American markets overseas. New markets mean a greater demand for American-made goods. The businesses that manufacture these products will hire workers to meet the demand.

In that regard, I have voted in favor of free trade agreements with countries such as Colombia and Panama and South Korea. I have also supported permanent normal trade relations with Russia in order that American manufacturers can receive the benefits of open markets as a result of Russia's joining the WTO. We also must eliminate the bureaucracy that hinders the development of American products. Bureaucracy should not stand in the way of American innovation and bringing products to market.

I am a cosponsor of the Protect Small Business Jobs Act. This legislation would provide small businesses with a limited grace period to correct regulatory violations, and if the violation is corrected in a timely manner, it allows for the waiver of any sanctions against the small business. This will help business owners like Tom, who, in referring to one Federal regulatory authority with which he was dealing, said, "Rather than working with industry to fix alleged issues, it is imposing significant fines right off the bat without giving companies the opportunity to first fix the concerns." Government should be a facilitator, not an obstacle, to new product development and job creation.

Mr. Speaker, the pathway to a growing economy and putting people back to work is clear. The small business job creators in my district and around the country have spoken: they want to get rid of burdensome and unnecessary red tape; they want lower taxes and a simpler Tax Code that lends to certainty and encourages growth and investment; and they want the Federal Government to exercise fiscal discipline and to serve as a facilitator for American innovation, product development, and marketing.

Mr. Speaker, we can help American small businesses get Americans back to work. America is the land of opportunity where, with a mixture of aspiration and diligence, anyone can achieve one's dreams. Let's redouble our efforts and renew our commitment to our fellow citizens to help them build a bright future for themselves, their children, and for this Nation.

I yield back the balance of my time.