

Remarks at the Greater Fort Lauderdale Alliance Annual Meeting, Fort Lauderdale, Florida

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CONTACT OFFICE OF PUBLIC AFFAIRS

202-482-4883

Acting Secretary of Commerce Rebecca Blank

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Good evening, everyone. Thank you for coming.

And thank you, Bob, for that warm welcome. It's great to be in Fort Lauderdale.

I'm here tonight to talk a little bit about the President's Jobs Act. But before I get to that, I think it's important to talk about where the economy is today.

Understanding where we are and how we got there, tells us something about what we need to do next.

For many Americans, I imagine it seemed like we were doing OK in this century's first decade. In a few respects we were. Some folks made a lot of money.

The problem was how few shared in the prosperity and that much of the wealth came from unsustainable bubbles in the financial and housing markets.

Job growth in the 2000s, in fact, was the lowest of any decade stretching back to the 1940s. That's true even if you stopped measuring at the end of 2007, before the recession started. Meanwhile, wages for middle class Americans stalled, while health care and tuition costs just kept going up.

In short, the seeds of today's economic problems were there. We just didn't see them very clearly.

You can point to a lot of reasons why this happened, but fundamentally, the problem is that America lost sight of its true economic strengths.

In fact, one recent study found that no advanced industrialized economy did less over the last decade to improve its economic competitiveness than the United States.

So, in 2007, when those bubbles started to burst, creating a financial crisis that spread around world, we weren't in a position to recover quickly.

Americans, confronted with falling home prices and mountains of debt, did exactly what you'd expect. They stopped spending – not exactly good for business. Instead, they started saving and worked to rebalance their household finances.

For many in the U.S., common sense probably seemed to dictate that the government should immediately do the same.

Well, not really. As most of you in this room know, during an economic recession, when consumers and businesses stop buying, that's when government has to intervene. In essence, by taking government action, we bet on the resiliency of the American people – and American businesses – and helped create demand to give the economy a little breathing room while it recovered.

Failure to do that – failure to act – can turn a terrible recession into a Great Depression. That's a fact.

So in the first days of this Administration, we took a number of important steps, many of them politically unpopular, to stabilize the financial system, to keep the American automobile industry from going bankrupt and to pass along a tax cut to middle class families so that they had a little bit more to spend in your stores and communities every month.

With the Recovery Act, we also shored up the bottom line of America's cities and states so that teachers and policemen could keep their jobs, and we made major investments in our roads and railways to put people to work. We did precisely what we knew would stop the free fall.

But here – here's where things got a little weird. We suddenly started getting accused of being anti-business.

Now, I don't want to make any of you feel uncomfortable with these next words, but I think we need to talk about our relationship.

And by "our relationship," I mean between this administration and the business community.

Look, politics is tough. Everyone knows that. To paraphrase Jon Stewart, if Barack Obama made it rain cookies, there are some people out there who would accuse him of causing a milk shortage.

That's life. There were people on the other side of the political spectrum, who felt the same way about George Bush.

Still, it's puzzling to me that in some quarters there's a genuine belief that this administration has doubts about American free enterprise.

I don't get that.

Since we took office, we've passed 17 different tax cuts for small businesses, the largest temporary investment incentive for manufacturers in the history of the United States and a payroll tax cut that put more money in the pockets of Florida workers.

At the same time, we've worked hard on the things that contributed to long-term American competitiveness: Better schools and support for innovation and infrastructure.

- On the education front, to ensure you have the workforce you need, we've significantly increased support for community colleges and for lower-income students who want to attend them. We've partnered with the private sector to improve science and math training. And Secretary Duncan has worked tirelessly on improving America's public elementary and secondary schools.
- On the innovation front, we've significantly increased federal funding for research and development. We've partnered with universities and high-tech industries to speed tech transfers, from labs to the marketplace.
- And we successfully passed the first major reform of the patent system in 50 years to move great ideas to the market faster. The Patent and Trademark Office in the Department of Commerce is now working hard to implement that legislation effectively.
- On the infrastructure front, we put tens of thousands of Americans to work on 15,000 roadway, railway, transit and airport projects. We expanded broadband networks to underserved rural and inner city communities. And we're working hard on improving America's electrical infrastructure by developing a national Smart Grid.

And last night, Congress passed trade deals with Korea, Colombia and Panama. These deals will create at least 70,000 new jobs and make America more competitive in important markets abroad.

Many of the actions we took to improve the economy and help U.S. companies started as ideas that came from the business community. But, after all of this, there are still folks who question our commitment to the private sector.

Maybe that's because it's easy to fall back on the old clichés of political right and left. Maybe it's because there is a cadre of people who want to define what it means to be pro-business in very narrow ways.

But I have to tell you, if President Obama didn't harbor a fundamental belief in the genius of America's businesses, if he didn't believe that you are at the heart of the dream that we will enjoy better lives than our parents and our children will experience things that we can only dream about, he would have done a lot of things differently – a lot of things that didn't carry such a high political cost.

Instead, he did what was tough, and today, we are recovering. There is good news. The economy has created more than 2.6 million jobs in the last year and a half.

We're seeing a comeback in manufacturing and new strength in the clean energy sector. Household debt payments are back to where they were before the bubble of the 2000s; consumer spending is starting to rise, and corporations are making record profits.

The disappointing news is that that growth hasn't been as fast as any of us would have liked, and as a result, unemployment hasn't fallen as fast as we'd hoped and the housing market hasn't recovered as quickly.

And even as families and businesses have worked to recover, we've been hit by some headwinds that have slowed things down -- rising oil prices and financial troubles in Europe, for example.

We even created headwinds in Washington D.C., with the needless debate over raising the debt ceiling. That prolonged and divisive fight produced a bigger dip in consumer confidence than the 9/11 attacks.

Americans are frustrated at the pace of recovery and at the ongoing high rates of unemployment. I understand that. I'm angry and frustrated as well, and trust me, so is the President.

The setbacks have left families and businesses uncertain about the future. And not surprisingly, that's encouraged them to pull back and grow more cautious -- not what our economy needs.

But the frustration should not change the fact that we are on the right track. We are attacking our short-term jobs problem and our long-term competitiveness and deficit issues -- precisely what we need to do to create sustainable business growth.

And we must do both at the same time. You see these twin priorities reflected in President Obama's American Jobs Act.

The American Jobs Act is a plan to get the economy moving again. The bipartisan measures in the bill would help firms that are reluctant to hire and need a little boost by cutting taxes on businesses, especially small businesses. The President's plan would:

- Slash the payroll tax in half for 98 percent of businesses, benefitting 410,000 Florida companies;
- Eliminate the payroll tax for firms that increase their payrolls by adding new employees or increase the wages of their current workers;
- Extend the 100 percent expensing provision into 2012 for capital purchases; and,
- Make reforms to improve access to capital for entrepreneurs and small businesses.

Meanwhile, the American Jobs Act would give more businesses confidence there will be customers for their products and services by putting more money in the pockets of American workers. The President's plan would:

- Cut payroll taxes in half for 160 million workers next year, giving the typical Florida family a \$1,430 tax cut; and
- Allow more Americans to save money by working with regulators to eliminate barriers to folks refinancing their mortgages.

Add these measures to proposals that would keep teachers and first responders employed, get construction workers back on the job making repairs to our schools, roads and railways, and the most innovative reforms to unemployment insurance in 40 years.

Importantly, the President has put forward a clear plan to pay for his Jobs Act, so that it wouldn't add to our long-term deficit problems.

Still, even if this plan exceeds our wildest dreams, it won't solve everything.

Ultimately, the American recovery will be powered by the American private sector. What the Jobs Act does is give the private sector a lift by putting a little wind under the sails of American businesses and consumers, thereby starting the virtuous cycle of economic growth by which more income leads to greater consumer demand, which leads to more jobs, which in turns leads to more income.

In the meantime, we're going to continue to streamline regulations, without sacrificing the public's health or safety. Federal agencies recently submitted plans that included hundreds of initiatives that will reduce costs, simplify the regulatory system and eliminate redundancy and inconsistency. This is expected to save more than \$4 billion over the next five years.

The President has also told everyone in his Cabinet that any new rule or regulation must be considered first for its impact on job creation. That's our number one priority. Period.

At the same time, an effort to make America's corporate tax code more competitive is well under way.

These measures and ones I described earlier are going to help rebuild America's economic foundation.

We tried the approach that sought to define being pro-business primarily in a way that ignored long-term consequences. It didn't work out so well for businesses.

And despite the rhetoric in Washington, I know that most of America's business community doesn't see the problems our economy faces as mere problems of taxation and regulation.

Over the course of the last year, this administration has used cabinet and subcabinet officials to chair listening sessions with small groups of private sector leaders across the country – more than 350 to date. The goal was to improve our intelligence about what you – the folks on the front lines of the economy – were seeing. I've done a number of them myself.

What I've heard are concerns about a wide array of issues – access to capital, commercialization

and the readiness of America's workforce. I've heard worries about China and India growing stronger by making aggressive bets on new technologies and emerging industries, and that we haven't been as aggressive.

There's been a remarkable uniformity to the issues raised. And we've taken all those concerns back to Washington. We're transforming them into action to enhance our economic competitiveness.

Still, economists will tell you that it typically takes years to recover from the economic problems that follow a major financial crisis.

But that's no excuse to sit idly by. We can't just pray the market eventually works everything out. That sort of thinking will imperil your businesses.

Faced with an economy that is growing too slowly, other countries have tried the "hope for the best" approach. As Japan can tell you, inaction leads to years of stagnation and high joblessness.

We know government can't solve all the problems facing our country. What we can do is help lay a foundation for growth and create smart incentives for businesses in Fort Lauderdale and around America to build something special on top of that foundation.

But we won't get there without growth, and that's why the Jobs Act is so important. Independent experts say it would put nearly 2 million people to work now. It would put more money in the pockets of workers now. It would repair infrastructure vital to American competitiveness now.

Congress should pass it now.

It's how we help create more jobs.

It's how we help business grow.

It's how we ensure that American workers and American businesses compete and win in the global economy.

If you think we need to act, we're asking for your help to get it passed. We're asking for your help in getting America back to work.

I know it's easy to get frustrated. I know it's easy to give in to cynicism.

But we can't let that happen, not when our country needs us.

Thank you all. Good night and keep up the good work here in south Florida.