



Committee On Finance

Max Baucus, Ranking Member

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JOBS Bill Again Taken Up on Senate Floor, Provides Solid Manufacturing Tax Relief *Baucus Insists Senate Stay on Bill until Completion*

(WASHINGTON, D.C.) U.S. Senator Max Baucus today applauded the return of the "Jumpstart Our Business Strength" (JOBS) bill to the Senate floor and pressed for passage of the legislation that will provide a nine percent tax deduction for companies that manufacture good domestically.

Baucus emphasized his frustration with the slow pace that the full Senate has taken to date on the JOBS bill, stating, "We have now been on this bill, counting today, on nine separate days, over the course of four separate weeks. I hope and expect that we can now stay on this bill to its completion. And I believe that the Senate can now complete this bill over the course of a matter of days."

The Grassley-Baucus "JOBS" manufacturing legislation would replace the Foreign Sales Corporation/ Extraterritorial Income (FSC/ETI) tax regime, which has been ruled as an impermissible export subsidy by the World Trade Organization. The bill needs to pass quickly, Baucus said, in order to halt European Union tariffs that went into effect March 1, 2004. On May 1, the tariffs rose to seven percent and will continue to rise a percentage point a month until FSC/ETI is repealed.

Senator Max Baucus's full floor statement follows:

Resumption of the JOBS Bill
Senate Floor Statement of
Senator Max Baucus
May 3, 2004

Mr. President, the battle to enact this bill has certainly — thankfully — not compared to a war. But I do believe that we can now say about this bill at least what Churchill said after the British victory at El Alamein, when he said: “[I]t is, perhaps, the end of the beginning.”

Perhaps we may even say what Talleyrand said after the Russian victory at Borodino, when he said: “It is the beginning of the end.”

In either case, I believe that by obtaining an exclusive list of amendments that Senators may offer to this bill, we have won a victory. And we may now say that we can work to the end of this bill.

And well we should. Because we still have not won the battle to create jobs here in America.

Yes, the economy did turn in one good month of job growth in March. The American economy created a net of 308,000 new jobs.

But as this chart shows, one good month does not a recovery make. In this chart, green bars are months of job creation, and red bars are months of job loss. As this chart shows, March was a strong month for job growth, with more than 300,000 new jobs. But March was the only month in the last 4 years with that much job growth.

In contrast, during the 8 years of the Clinton administration, the economy turned in 25 months with more than 300,000 net new jobs. The economy as a whole still has a long way to go before it is creating jobs at an acceptable level.

Anyone who has talked to people trying to get a good job knows that the job market remains soft. In March, a record 354,000 jobless workers exhausted their regular state unemployment benefits without qualifying for any additional federal unemployment assistance. To reduce the ranks of the unemployed, the economy will need sustained strong job creation.

This next chart shows the number of private sector jobs in the American economy, incorporating the latest numbers. As this chart shows, the private sector still has 2.7 million fewer jobs than it had in December of 2000. We still have a long way to go just to get back to where we were in 2000.

And as this next chart shows, March was not a good month for manufacturing jobs. Manufacturing created no net new jobs in March. For the 44th straight month, the economy created no net new jobs in manufacturing.

As this next chart shows, manufacturing remains in a slump. The manufacturing sector has lost more than 3 million since July of 2000.

I can see it in my home state of Montana. In Montana, wood products companies provide nearly 37 percent of our manufacturing jobs. But a decade ago, those jobs made up 47 percent of our manufacturing. Employment in wood products dropped almost 5 percent last year alone.

As this final chart shows, the number of jobs in American manufacturing remains at the lowest level in more than half a century.

And so we continue to need to act on the legislation before us.

And more importantly, I have heard from folks who tell the reason why we need to act on this bill. You can hear the frustration in their voices.

Keni from Hamilton, Montana, wrote: “All our good jobs are being sent overseas to a cheaper labor market, and we're fed bovine manure . . . [about] all the great jobs [the economy is] creating.”

Christopher, who was laid off in February of 2003, wrote: “Many of those individuals [with jobs] have to do two or three other people[']s jobs in order to keep their own.”

And Kay wrote that the economy “bring[s] no new business[es] to speak of in[to] Montana that pay any kind of decent wage, keeping the poor, poor. When is it going to end?”

We have to end the loss of good jobs. We need to do what we can to help create good manufacturing jobs, here in America.

And that is what this bill is about.

We have conducted a number of battles on this bill. The Senate has conducted 4 roll-call votes on this bill. And the Senate has adopted 11 amendments:

- from tax shelters
- to the R & D credit,
- to government jobs offshore,
- to expiring provisions,
- to accelerating the manufacturing tax cut,
- to energy tax provisions.

And now we have an exclusive list of amendments. Senators have preserved their rights and listed 83 amendments on the list. I might note that 50 of those listings preserve the rights of Senators in the Majority, while 33 preserve the rights of Senators in the Minority.

But of the 83 amendments, Senators have listed 36 amendments simply with the word “relevant” or similar language. And although we might expect Senators to offer some of these amendments, experience would teach us that the overwhelming majority of these amendments will drop from the list.

And of the remaining 47 amendments, I believe that we will be able to work to have Senators modify many of them so that the Senate may agree to them without roll-call votes. Realistically, therefore, I expect that probably fewer than 20 of those amendments will require roll-call votes.

Nearly all Senators from this side of the aisle with amendments on the list have indicated to this Senator that they would be willing to abide by short time agreements, none more than 1 hour, equally divided. So this exercise need not take a long time.

We have now been on this bill, counting today, on 9 separate days, over the course of 4 separate weeks. I hope and expect that we can now stay on this bill to its completion. And I believe that the Senate can now complete this bill over the course of a matter of days.

Let me conclude by saying that what the Preacher said in Ecclesiastes applies as well to this bill. He said: "Better is the end of a thing than the beginning thereof." And so I look forward to working with my Colleagues to the end of this bill.

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