1-2007

Booking EDU Remarks

Max S. Baucus

Let us know how access to this document benefits you.
Follow this and additional works at: https://scholarworks.umt.edu/baucus_speeches

Recommended Citation
https://scholarworks.umt.edu/baucus_speeches/782

This Speech is brought to you for free and open access by the Max S. Baucus Papers at ScholarWorks at University of Montana. It has been accepted for inclusion in Max S. Baucus Speeches and Remarks by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.
Senator * or Department*: BAUCUS

Instructions:
Prepare one form for insertion at the beginning of each record series.
Prepare and insert additional forms at points that you want to index.
For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: Speeches

MONTH/YEAR of Records*: January-2007
(Example: JANUARY-2003)

(1) Subject*: Competitiveness

(select subject from controlled vocabulary, if your office has one)

(2) Subject* Booking EDU remarks

DOCUMENT DATE*: 01/01/2007

(Example: 01/12/1966)

* "required information"
In 1963, I was in Delhi. I had been at a Stanford University program in France. But I wasn’t learning much French, so I decided to hitch-hike across the world instead.

In Delhi, I learned that Prime Minister Nehru met with Americans every second Thursday. So I made an appointment. I pulled my wrinkled blazer out of my backpack and smoothed it out as best I could. And I headed over to the Prime Minister’s office.

I met with Nehru for more than half an hour. It was a life-changing experience.

This year I went back to India – this time as a Senator, with a delegation of Montanans. We visited Bangalore and Delhi. We also went to Beijing and Chongqing, China.

I saw India’s history 43 years ago. This year I saw India’s future, and China’s, too. And I saw what their dedication to the future can mean for this country if we don’t take heed now.

What I learned in China and India this year wasn’t radically new information to the universe or to me. Tom Friedman wrote a little book about these issues a couple of years back.

But as a Senator I have a responsibility to do more than be struck by the contrasts between other countries’ approach to the future, and ours. Congress isn’t responding to global challenges. We need better leadership and smarter policies, now.

China will become the world’s largest economy by 2030. China is already the world’s third largest exporter. Ninety percent of Chinese exporters are backed by foreign investment. India’s education system produces tens of thousands of incredibly gifted graduates per year. Their information technology sector has grown an astounding 50 percent annually for more than 10 years.

Meanwhile, you know the litany about the U.S. We’re behind Singapore, Iceland, Finland, and Denmark in information technology. As far as Federal support, we can’t even get the research and development tax credit renewed, much less updated. Rising health-care costs are crippling us. We borrow more than 80 percent of the world’s savings. In international trade, this Administration has distanced us from Asia, leaving China to engage the region and fostering protectionism here at home.

Don’t get me wrong. At every stop during my trip I found unwavering admiration for the American economy. I’ve got admiration for it too. America can remain economically preeminent. But we’ve got to get honest about our weaknesses and serious about our strengths. We’ve got to look rationally at global competition and then deal with it.

The rational part may be the hardest. During my trip to India, an incorrect Associated Press story said I had endorsed the outsourcing of jobs to India. Lou Dobbs nearly exploded on the air. Of course I said nothing of the kind. What I did say was that the movement of jobs around the world is now a fact of life. I don’t want to see a single American lose a job. Period. But we cannot kid
ourselves. We need to work to keep as many jobs as we can, but this is the most important thing – we need to figure out how to replace lost jobs with even better ones.

(Baucus competitiveness agenda)
I do not pretend to have all the answers. But I have spent much of the last year developing an agenda and introducing legislation to make a start.

(education)
First, we HAVE to value education again. I'm not Chicken Little here. We are falling behind and we'll continue to fall behind unless we make changes now. When I started in the Senate, America ranked third in the world in young people with science or engineering degrees. Thirty years later, we are seventeenth. Our 15-year-olds are even further down in math, reading, and science. That's why next week, I'm introducing the Education Competitiveness Act of 2006.

(education 2)
It will cost money and some of it will be controversial. I don't mind if not every jot and tittle gets enacted. But I want to launch a big discussion now. Because the future of American competitiveness rests on this.

(education 3)
So my this bill gives a free college education to every student who agrees to major and work in math and science. It gets America on the road to real, universal pre-kindergarten. It rewards and educates teachers in rural and underserved areas. It makes lifelong learning the norm for folks who need to change jobs. And it puts our money where our mouth is with tax incentives – including a Federal deduction for local property taxes whether you itemize or not.

This will be the fifth competitiveness bill I've introduced this year. It starts with schools and teachers, but America needs to get a lot leaner and smarter in a lot of other areas to stay at the front of the pack.

(energy)
My energy bill increases tax incentives for renewables, but goes further, too. It creates a new agency modeled on DARPA. This new agency will be called ARPA-E, or the “Advanced Research Projects Agency – Energy.” It will fund the kind of cutting-edge research we have to have to find new sources of energy. We need some big thinkers and we need to let them run with their ideas until we find the right ones.

(research 1)
It's clear just how much Congress doesn't "get" the issue of competitiveness. The rest of the world still looks to America as a leader in innovation. But Congress won't pass the most basic tax credit to keep that innovation flowing.

The research and development tax credit expired at the end of 2005. American businesses are unable to plan. They're laying off employees. All this because R&D has been a hostage of political priorities like capital gains and dividends tax breaks.

(research 2)
I have a research bill that simplifies and improves the R&D tax credit, but our main task right now is keeping it in law at all.

The tax credit will not be enough, particularly for basic research. Private and public research partnerships can be an effective vehicle. We did this in the 1980s when semiconductor
companies and the government collaborated to share risk and leverage discoveries for semiconductor technology. My research bill provides a tax credit to help start-up companies access inexpensive private capital.

(savings)
I'm also determined that America make the connection between economic competitiveness and basic economic stability in the form of savings and innovation. Simply put, to innovate we must invest. To invest, we must save.

My savings bill imposes the same rules on government that American households follow: if we don't have it, we don't spend it. Any new public spending or tax cuts must be paid for up front.

It's also harder for families to prosper if they don't save. So my savings bill makes small changes like automatic enrollment in 401(k) plans, creates a Young Saver's Credit that lets kids have a Roth IRA, and makes the Small Saver's Tax Credit permanent.

(trade)
Finally, trade and investment in international markets is a challenge that have I asked our companies to embrace. But when American companies embrace these new market opportunities, we must also send them a clear signal – the American government has their back.

My trade competitiveness bill requires USTR to work with Congress to identify priority barriers to trade and investment each year, and address them. Here at home, it also expands Trade Adjustment Assistance to cover service workers and all trade-displaced workers.

(health)
I won't be done with next week's education bill. Rising health care costs are a burden for American businesses and our economy's Achilles heel. I've worked on health IT and pay-for-performance, and will continue to do so. But at some point we will have to radically restructure our health care system or it will drown us economically. Thinking only in the short term means certain failure in the long term.

(tax)
From my spot on the Finance Committee, I also know that international tax law affects our competitiveness. Our corporate and international tax laws were written in a time where U.S. businesses were the only players on the block. In addition to providing incentives for American businesses to become more competitive internationally, we can also break down some of the barriers they face.

(conclusion)
So I'm trying to make a start in Congress this year. But we should think even bigger. We should think about establishing national schools for the brightest young American minds, like the Indian Institutes of Technology. We could offer multi-million dollar rewards for the solutions to challenging problems, similar to the "X-prize" recently awarded for the first privately-funded manned space vehicle. We must not shy away from our challenges.
I know we’re about to start a question and answer period, but I warn you that I will have as many questions for you as you have for me. We need to exchange ideas and strengthen each other’s efforts.