



**For Immediate Release: November 29, 2017**  
**Contact: Breann González (202) 225-0371**

## **Tiberi: Tax Code Major Reason For Business Reluctance, Tax Reform Would Make Critical Improvements**

*Remarks as Prepared for Delivery*

Joint Economic Committee Chairman Pat Tiberi (R-OH) today delivered the following opening statement during a hearing entitled “The Economic Outlook with Federal Reserve Chair Janet Yellen”:

*“Good morning and welcome. I want to welcome everyone to the Joint Economic Committee’s annual hearing with the Federal Reserve Chair on monetary policy and the prospects for the economy.*

*“The Federal Reserve is one of the most important institutions in the country and indeed the world. Chair Yellen served as President of the San Francisco Fed, then as Vice Chair and as Chair of the Federal Reserve Board. Her distinguished service at the Fed encompassed the most tumultuous period in the U.S. financial and economic systems since the Great Depression.*

*“Many books have already been written about the events of this period and many more will be written from different points of view and with varying assessments. But one thing is certain, the financial system and the economy have stabilized. We are no longer debating how to reconstitute them but rather how they might work better.*

*“This hearing will review the developments since the crisis and especially since Dr. Yellen became Chair of the Fed in terms of the Fed’s dual mandate of maximum employment and price stability. By the standard measure of unemployment, which is 4.1 percent at last*

*reading, and by the standard measure of inflation, which most recently stood at 1.6 percent, both the first and second goals have been achieved.*

*“Although the standard metrics of unemployment and inflation are very good, all is not well in the economy. Economic growth has been slow to the point that some economists have advised that we should lower our expectation for future growth by about a third from the average postwar growth rate.*

*“Wage growth has been surprisingly slow, as has been business investment; labor force participation has remained low and various measures of economic dynamism such as new business formation are way down from before the recession.*

*“Various explanations have been offered, including an aging population and decreased international competitiveness of U.S. businesses that are impaired by taxes and regulation. But money and banking also seem to have a role. Commercial banks, rather than issuing more loans, are holding extraordinarily large amounts of reserves at the Fed, and the Fed has invested trillions of dollars in mortgage-backed securities and Treasuries.*

*“So we have a condition in which businesses are investing less, workers are staying on the sidelines, and banks are lending less than they could. In short, the economy is not realizing its full potential. The Joint Economic Committee has devoted several hearings this year to determining why economic growth has been slow and is interested to hear Chair Yellen’s views.*

*“Taxes and regulation are major reasons for the reluctance of businesses to invest and hire more workers in the United States, which is why the current effort in Congress to reform the tax system is so important. Both House and Senate versions of tax reform make critical improvements--in particular, reducing the corporate tax rate to bring it more in line with those of other countries. We are very interested to know how the Fed perceives such tax rate alignment and whether its policymaking will assume that it increases the economy’s productive potential.*

*“In closing, let me express my deepest appreciation for Chair Yellen’s service to the nation in one of the most consequential positions for the economy and Americans’ welfare. Chair Yellen, thank you.”*

###