

JOE WALSH

8TH DISTRICT, ILLINOIS

COMMITTEE ON HOMELAND SECURITY

VICE CHAIRMAN

SUBCOMMITTEE ON
TRANSPORTATION SECURITY

COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM

COMMITTEE ON SMALL BUSINESS

CHAIRMAN

SUBCOMMITTEE ON ECONOMIC GROWTH,
TAX, AND CAPITAL ACCESS



Congress of the United States
House of Representatives
Washington, DC 20515-1308

WASHINGTON OFFICE:

432 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3711

www.walsh.house.gov

DISTRICT OFFICE:

50 EAST GRAND AVENUE
FOX LAKE, IL 60020
(847) 973-9341

September 13, 2011

President Barack Obama
The White House
1600 Pennsylvania Ave NW
Washington, D.C. 20500

Dear President Obama,

Washington right now is spending money it does not have to create jobs that never materialize. National unemployment continues to hover near ten percent – our home state, Illinois, just on its own has lost over 100,000 jobs since you took office.

Small businesses – the real job creators – are unable to create the jobs that America needs. They are struggling under burdensome regulations, an unfavorable tax policy, uncertainty, and too much government spending. Your continued proposals for more regulations, more government spending, and more taxes will only make things worse and put us further in debt. Government must get out of the way of small businesses and let them create the jobs Americans need.

It seems we agree that small businesses are the key to pulling America out of this long-term economic rut. I would like, then, to share with you the ideas from some small business owners I met at a small business jobs forum I held last week in Illinois.

End burdensome rules and regulations: Federal regulations cost small businesses 36 percent more than larger businesses, as small businesses often lack the expertise and capital to deal with all the paperwork. Your Administration is actually adding even more of these burdens to small businesses. In the last fiscal year alone, federal agencies under your supervision unleashed 43 major new rules that cost small businesses \$28 billion – the highest level since 1981. Government needs to end these regulations to get out of their way and allow them to create the jobs we need. One small business owner that attended the forum said very simply that “the government’s job is to give us an even playing field...and I can’t play by the rules when you continue to change them.” He is right. New regulations, including the countless number of them in your healthcare reform bill, are punishing small businesses. This is only getting worse as further regulations continue to be implemented instead of being stopped. We must fundamentally and aggressively rein in all these unnecessary and burdensome regulations.

Cut taxes: High tax rates take more income off-the-table of owners trying to invest in their business and create more jobs. This is common-sense, but the U.S. currently has a complex tax code with high rates that makes it even more difficult for small businesses to create jobs and compete in the global market. Our tax code is very difficult for small businesses and start-ups to

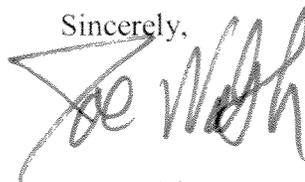
navigate because few small companies have the resources to employ tax attorneys and accountants for help with taxes. Studies have found that small firms with fewer than 20 employees pay more than \$1,200 per employee to comply with tax paperwork and record-keeping. Your healthcare law only made the tax code more onerous to small businesses and your recent proposals to increase the individual and capital gains rate will only further burden small businesses and hurt jobs.

Rein in government spending: Research shows that government spending crowds out private investment. Each \$1 increase in government spending reduces private-sector investment by between \$0.46 and \$0.97 after two years and \$0.74 and \$0.95 over five years. To make matters worse, this government spending has built up over \$14 trillion in national debt – nearly the same size as our entire annual economy. Massive government spending has not helped. You claimed in 2009 that the \$787 billion stimulus package would lower unemployment and get Americans back to work. This did not happen. Unemployment is higher now than when you took office. More stimulus spending like you have proposed will only further decrease private investment and add to uncertainty that is scaring small business owners from investing in their ventures.

Encourage real American energy production: The energy industry creates jobs in two ways: directly, through jobs in its own industry, and indirectly, through lower energy prices that reverberate across the economy. Thus far your Administration's policies – obstructing oil and gas drilling and imposing dangerous and unnecessary environmental regulations – have destroyed the ability of the energy industry to create jobs. And getting rid of "oil and gas subsidies," which are not subsidies at all but rather standard accounting procedures, will further drive energy jobs out of the country and dramatically increase the price of energy here in the U.S. High energy prices burden small businesses by increasing their costs. If they are spending more money for energy, they have less money to hire more employees and invest in their businesses. We need to get rid of your failed green stimulus programs and the other impediments to American energy production, and start encouraging real American energy production.

Your Administration's policies have destroyed jobs and burdened small businesses under mounds of paper work. The government needs to get out of the way of small businesses so that they can create jobs. They are the backbone of the American economy and they will get us out of this recession – not the government. More stimulus spending, more regulations, and more taxes will only destroy more jobs. I hope you will listen to these concerns and work together to help small businesses create the jobs we need.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Walsh". The signature is written in a cursive, somewhat stylized font. The first name "Joe" is written with a large, sweeping initial "J". The last name "Walsh" is written in a similar cursive style. The signature is positioned to the right of the word "Sincerely,".

Joe Walsh
Member of Congress