

THE ECONOMIC CLUB

O F W A S H I N G T O N , D . C .

**Excerpts from the Signature Event featuring Frederick W. Smith, Chairman, President
and Chief Executive Officer, Fedex Corporation**

December 6, 2012

“ . . . how do you restore that economic growth that made the United States the most prosperous and the most important nation in the world? . . . I think the formula for restoring growth in the United States gets down to basically three things. First is we have to modify our non-competitive corporate tax code. Second, we have to understand the injurious effects of the United States’ continued importation of petroleum to literally and figuratively fuel our economy, and what that means for our international security and what it means for our balance of payments and for our gross domestic product. And finally, we have to recognize the importance of international trade and its effects on the United States economy and reset a few things in the trade arena.”

~ *Frederick W. Smith, Chairman, Founder, President and CEO, FedEx Corporation*

“ . . . the big [*economic*] driver is equipment and software, because it is the vast majority of capital investment. And that capital investment is made . . . in general . . . by those corporations – the 17,000 corporations paying taxes at the corporate rate – that employ over 500 people. And so it is big business that’s the locomotive that’s pulling the train for the United States economy, and the so-called gazelles – the Googles, the Amazons, the oil wildcatters that are fracking down in Texas and in North Dakota – it’s the people that are making the investments in capital equipment and software that provide the impetus for the entire economy. And with a tax rate of 35 percent, it is impossible for you to incent the large corporations — that now have at least \$1.7 trillion of money offshore — to put their money back in the United States.” ~ *Frederick W. Smith, Chairman, Founder, President and CEO, FedEx Corporation*

“ . . . last year the United States had a negative balance of payments of \$560 billion. And of that \$560 billion, importation of oil represented 64 percent of it – \$326 billion. That’s \$326 billion that were shipped out of the United States . . . And over the past 10 years, we’ve been involved with two wars in Iraq and Afghanistan that relate directly back to our dependence on imported petroleum from the Middle East. Not only is this an enormous drag on our GDP, it’s an enormous drag on our citizenry paying for this military apparatus to protect the oil trade. . . . it is essential that the United States have an energy policy which maximizes U.S. oil and gas production and reduces our consumption of petroleum so that there is less oil per unit of GDP. And that means diversifying transportation to some degree away from petroleum, where it powers 93 percent of all transportation, into a diverse set of fuels.” ~ *Frederick W. Smith, Chairman, Founder, President and CEO, FedEx Corporation*