

**Prepared Ryan Opening Statement
Fiscal Stimulus/ Economic Update Hearing
1/29/08**

- Chairman Spratt – you’re three for three. Once again, today’s hearing is both right on topic, and extremely well timed.
- Just last week, House Leadership and the Administration announced agreement on a bi-partisan economic “stimulus” package. However, I understand the Senate may move to alter that package with added spending.
- So today’s hearing is an excellent opportunity for this Committee to review the relative merit of various growth proposals.
- First, we’ve got to take a *realistic* look at the so-called “stimulus” package – and make sure we don’t *overestimate* its possible effects.
- We must recognize the limits of the federal government’s ability – particularly that of Congress – to address the immediate economic concerns at hand.
- Admittedly, I’m somewhat skeptical that Congress can get it right.
- These “stimulus” packages – which are subject to the vagaries of the legislative process – tend to bear a much closer resemblance to a blunt instrument – than the fine, precision tool we pretend them to be.

- *Even if* we move quickly to enact this current growth package, for example, most analysts say the checks would go out around May or June. By then, the economic slowdown we seem to be experiencing could be over.
- I agree that letting taxpayers keep more of the money they've earned is a good idea – *especially now*, when it can provide a brief financial cushion. But at best, I think this action will have a small, short-lived impact.
- This package is clearly not a substitute for good economic policy.
- The key to *long-term* growth lies in expanding our economy's productive capacity – not in simply propping up short-term demand by divvying up resources the economy has already produced.
- For sustained economic growth we need low tax burdens, a stable rate of inflation, an attractive investment climate, and a dynamic labor force.
- Growth also requires *tax certainty* – so that American businesses and families can plan for the future.
- Finally, we've got to recognize that we simply cannot *spend* our way to prosperity.
- Congress will be tempted to use the excuse of “fiscal stimulus” to push through a wish list of new spending. *And I compliment House Leadership and the Administration for resisting this temptation.*

- It's ironic to hear increased government *spending* touted as a cure for our economic ills, when it is the unsustainable growth of government spending – *particularly that of our entitlement programs* – that poses the greatest threat to our nation's long-term economic growth and prosperity.

- While there are risks to the short-term economic outlook, we need to balance these risks with the actions we take. I hope today's hearing will shed more light on the economic outlook and the effectiveness of steps to address concerns about a weaker economy.