

**Ryan Prepared Opening Statement**  
**HBC Hearing with Treasury Secretary Geithner**  
**March 5, 2009**

- Welcome Secretary Geithner.
- I want to start by acknowledging the very serious challenge you face: solving our banking crisis, and stabilizing our financial markets is critical to our economy and job growth.
- There is no perfect solution to this grave problem.
- While I have concerns with how the past and current Administrations have handled TARP, the best thing we can do for our economy is get credit markets functioning again – and I genuinely appreciate your efforts on that front.
- That said, you won't be surprised to hear that I have profound disagreements with the President's budget. It is an historic expansion of the tax, borrow, and spend philosophy – which concentrates resources and power in Washington, and smothers the freedom and resources of the very entrepreneurs and small-business owners needed to turn this economy around.
- Of particular relevance to you and this hearing are the tax- and debt-increases called for by this budget.
- Let's begin with taxes. The budget proposes *\$1.4 trillion* in tax increases – in other words, a tax hike that totals roughly 10 percent of the entire economy today.
- That would be bad enough in itself. But there is no economist on the planet – whether Keynesian, supply-sider, or somewhere in between – who would recommend raising taxes *in the midst of the one of the most painful recessions in generations*.
- Now, your colleague, Budget Director Orszag, says reassuringly that these tax hikes won't start until 2011 – when an economic recovery could be well under way.
- But business are forward looking – and make investment and hiring decisions today, based on expectations of future *after-tax* returns. And

nothing affects a business' bottom line more than taxes.

- If you're running a business right now, why would you start expanding or hiring – the kinds of activities this economy desperately needs – with the threat of a huge tax increase in just a year and a half?
- Now, let's take a look at some of these specific tax increases:
- You raise taxes on what the President calls “the wealthiest Americans.” But many of these “wealthy” people are small-business owners – the people who create nearly 80 percent of the jobs in this country.
- Then there's the “cap-and-trade” proposal, which will effectively impose an additional tax burden of more than \$800 billion on everyone who uses gasoline, natural gas, home heating oil, or electricity. *I think we can argue that covers most Americans.*
- You penalize people for buying houses, making charitable contributions, and building up savings to leave to their families.
- You would also tax U.S.-based international companies, making it harder for them to compete with their foreign counterparts – directly contrary to what we should be trying to accomplish.
- Then there's also the deficits and debt resulting from this budget.
- The 2009 budget deficit swells to \$1.8 trillion – *more than triple the previous record.* The budget would also *double* the national debt in the next 8 years.
- In addition to all these things is the budget's staggering failure to control spending. It even adds more than a trillion dollars to *entitlement* spending – worsening the most severe fiscal problem we have.
- As I said earlier, this is a challenging time, and no economic or fiscal plan is going to be perfect. But the President's budget tries to spend, tax, and borrow our way into prosperity – a economic recipe that simply doesn't work.
- Nevertheless, *I do want* to work with you to stabilize financial markets, get our economy back on track in the short term, and address the greatest challenge to our longer-term growth: the looming entitlement crisis.