



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CONGRESSMAN KEVIN BRADY

RANKING REPUBLICAN HOUSE MEMBER



NEWS RELEASE

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**STATEMENT OF
CONGRESSMAN KEVIN BRADY**

*The Challenge of Creating Jobs in the
Aftermath of The "Great Recession"*

I join in welcoming Dr. Stiglitz and Dr. Roberts, and look forward to hearing the views of these two distinguished economists.

The economy remains the number one issue for Americans and my constituents in Texas. They are apprehensive – in some cases frightened - about the direction that economic policy has taken in Washington.

A new Bloomberg survey of the American public reveals that the vast majority of the nation, 60 percent, believe the stimulus had no effect or is hurting the economy. More troubling, nearly half (48%) say they feel less financially secure today than they did when President Obama first took office. And their pessimism grows about the willingness and the ability of the government to reduce the staggering deficit.

The recent hastily-arranged jobs summit and calls by the President for Stimulus II are further signs this Administration's economic policies are failing the American public.

Consumers are frightened by the debt and their job future and understandably reluctant to spend. Businesses of all sizes are worried - reluctant to add new workers while Washington promotes higher health care costs, energy costs, more regulation and new taxes.

The White House and this Congress have taken their eyes off the economic ball, opting instead to pursue ideological agendas that contribute nothing to our economic recovery and, in fact, fuel fear among job creators along our Main Streets. We need to stop "frightening the horses" if we hope for a stable and reliable economic recovery led by our local businesses, rather than the government.

The United States is at an economic crossroads. The road to the right is a free market economy in which the decisions of Americans acting as entrepreneurs, consumers, workers, investors, and savers are determinative, while the road to left is a social market economy, in which the federal government plays a controlling role.

To the right, Congress would gradually reduce federal budget deficits by restraining the growth of federal spending and pruning unnecessary or ineffective programs. Reforming health care on this path would focus on empowering patients and lowering costs.

To the left, Congress would continue its reckless spending. Reforming health care on this path would focus on empowering the federal bureaucracy and expanding health-care entitlement benefits with little consideration about long-term costs.

To the right, Congress would direct the Treasury to sell its shares in Chrysler, Citigroup, GMAC, and General Motors and to truly privatize Fannie Mae and Freddie Mac as quickly as possible. Once again, the market would determine which companies prosper or fail.

To the left, Congress would establish an industrial policy for the United States, determining winners such as green technologies, and losers such as oil and natural gas production, based on political criteria. Housing is one of the few sectors of the U.S. economy in which the federal government has pursued an industrial policy. The collapse of the housing bubble and the insolvencies of Fannie Mae and Freddie Mac should warn us about the dangers of mixing public purpose and private profits.

To the right, necessary regulations would be as simple as possible and fairly enforced. Old regulations would be regularly reviewed, and regulations that proved costly, ineffective, or unnecessary would be eliminated.

To the left, new regulations would multiply. The cost or effectiveness of regulations would matter little so long as their intent is good.

To the right, Congress would stabilize the federal tax burden as a percent of GDP at its post-World War II average. Congress would reform the federal income tax system to encourage both domestic and foreign investors to make job-creating investments in the United States rather than forcing them abroad.

To the left, Congress would allow the federal tax burden to rise as a percent of GDP. Congress would inevitably be forced to increase the income and payroll tax rates paid by nearly all Americans, not just the wealthy.

To the right, Congress would aggressively pursue new customers around the globe, tearing down barriers and creating U.S. jobs by approving the pending free trade agreements with Colombia, Panama, and South Korea and engaging in dynamic growing markets - such as the Asia Pacific region.

To the left, Congress would block these agreements, withdraw from the global marketplace, and impose protectionist measures that block access to the U.S. market at the behest of a few labor leaders and other activists.

History both here and abroad proves that the right road leads to sustained economic growth, rising personal income, and expanding job opportunities while the left road leads to stagnation.

The question before Dr. Stiglitz and Dr. Roberts today, is which road would you choose?

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