



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CONGRESSMAN KEVIN BRADY

RANKING REPUBLICAN HOUSE MEMBER



NEWS RELEASE

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Contact: Robert O'Quinn
(202) 226-4065

**STATEMENT OF
CONGRESSMAN KEVIN BRADY**

November Employment Situation

I am pleased to join in welcoming Dr. Hall before the Committee this morning.

Today's employment report again is bad news for American workers. During November, 11,000 payroll jobs were lost. The unemployment rate edged down to 10 percent.

The lack of job creation has caused an unemployment crisis for our country. Even if the National Bureau of Economic Research eventually determines that a recovery began this fall, it remains a jobless, or even worse, a "job loss" recovery. And that's no recovery for American workers and their families.

Instead of "focusing like a laser beam" on the unemployment crisis, President Obama and congressional Democrats have spent most of this year promoting misguided initiatives to address other, less pressing issues. For example, even though the "climate-gate" scandal has compromised the integrity of studies frequently cited to prove man-made global warming, President Obama and congressional Democrats continue to press for a "cap and trade" scheme that would boost U.S. energy prices, slow economic growth, and put American manufacturers and their workers at a competitive disadvantage globally.

Acknowledging both the strengths and weaknesses of our health care system, Americans sensibly want to fix what's wrong step-by-step and leave what's right alone. Ignoring this common-sense approach, President Obama and congressional Democrats are pushing for a complete overhaul of the health care system that would simultaneously boost taxes, limit choice, increase costs, and add to future federal budget deficits once accounting gimmicks are stripped away.

I applaud President Obama for finally turning to our most pressing domestic challenge – the unemployment crisis – by hosting a jobs summit, but I have to wonder what concrete results will come of the discussions.

In January, two of President Obama's top economists forecast that if the Congress were to enact the Obama stimulus bill, then the unemployment rate would remain at or below 8.0 percent during 2009. This is the relevant standard against which to measure the performance of the stimulus legislation. Unfortunately, since President Obama signed the stimulus bill into law on February 17th, the unemployment rate has increased far above 8 percent.

Administration officials continue to make extravagant, statistically dubious claims about how many jobs the stimulus plan has allegedly created or saved. The press examined the reports on which the Administration based its jobs claims and indentified many jobs that have no connection to the stimulus or were counted multiple times. Some cases of misreporting are so ludicrous that the Administration's jobs claims have become the butt of jokes.

In contrast to the Administration's difficult-to-substantiate claims, Bureau of Labor Statistics employment data show that the United States has suffered a net loss of 2.9 million payroll jobs since President Obama signed the stimulus bill into law.

If President Obama really wants to create millions of new jobs, there is a lot that Republicans and Democrats can do together to reduce the unemployment rate. We know what works. We can take cues from Democratic President John F. Kennedy and Republican President Ronald Reagan, each of whom launched a decade-long economic boom that created millions of jobs.

First, we must control the growth of federal spending to bring down federal budget deficits, scaling back or delaying costly new initiatives.

Second, we must stop all tax increases on American families and businesses as long as the unemployment crisis persists.

Third, we must reduce the tax burden on new business investment. Business investment is very responsive to changes in the tax burden placed on it. Most importantly, business investment creates new and frequently better jobs.

We could reduce the tax burden on business investment in several ways – Kennedy instituted a 7 percent investment tax credit, while Reagan accelerated tax depreciation. We also should reduce our high corporate income tax rate.

I am encouraged that President Obama has finally acknowledged the unemployment crisis. I hope that we can learn from history and finally do what will actually boost growth and create jobs.

Dr. Hall, I look forward to hearing your testimony.

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