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Opening Statement Representative Pete Stark Joint Economic Committee Hearing June 11, 2003

Thank you, Chairman Bennett. I would like to commend you for holding this hearing on "Transforming Iraq's Economy." It's an important topic, and an important responsibility that President Bush has put on the shoulders of American taxpayers—or maybe I should say debt-holders, since this Administration doesn't believe in taxes.

As I was thinking about this hearing, I was reminded of an interesting piece in the latest *New Yorker*. The author, Hendrik Hertzberg, observed that in many ways Iraq right now is a conservative's paradise, with limited government, limited regulation, limited gun control, and so forth. I would say, in addition, that if the theories underlying President Bush's economic policies are correct, Iraq should be poised for a robust economic recovery, since there is no meaningful government and no tax burden. I'd like to ask the Chairman's indulgence to insert the full *New Yorker* article into the hearing record.

I suspect that this is not the testimony we will hear from our witnesses today. In fact, Iraq's economy and civil society are a mess. And we have a long and expensive reconstruction ahead of us. Should this outcome have been a surprise? Of course not. Should the Administration have put as much time and effort into preparing for the inevitable problems we would face in postwar Iraq as they did into developing an elaborate P.R. campaign to justify the war? Of course. But that is not what happened, and now we have to pick up the pieces.

I am sure we will hear some creative ideas from the economists at this hearing, but I hope they won't try to lull us into thinking that the transformation of Iraq's economy will be a cakewalk, and that all we need to do is set up the right conditions for the free market to flourish. The American public deserves honest answers about the task that lies before us so that we can make wise choices. The Bush Administration does not have a very good record of looking down the road and telling the public about the future consequences of its policies. If that doesn't change soon, we will be having a hearing on "Reconstructing the American Economy."

Thank you Mr. Chairman and I look forward to the testimony of our witnesses.

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