

**Opening Statement – House Budget Committee Hearing on the Stimulus
Ranking Member Paul Ryan – July 14, 2010**

- Thank you Chairman Spratt for calling this hearing to assess the stimulus and its impact on the economy and the Federal budget.
- I would like to extend a warm welcome to all of our witnesses here today. Welcome back, Secretary Vilsack. We appreciate you taking time from your busy schedule.
- I also want to take a moment to recognize Veronique de Rugy, who will join the next panel. Veronique is a distinguished economist and senior research fellow at the Mercatus Center at George Mason University, and has done great work tracking stimulus spending.
- Over a year ago, Congress enacted a stimulus bill that spread huge spending increases across the government.
- By every objective measure – from jobs and economic growth to the rising price tag – the stimulus has failed.
- It has failed to create the jobs promised. Rather than “save or create” 3 to 4 million jobs, the economy has shed 2.7 million jobs since the stimulus passed.
- It has failed to keep the unemployment rate below 8% as promised. Unemployment still hovers near 10 percent.
- It has failed to revive the economy, as growth remains sluggish and there are growing fears of a double-dip recession.
- A year ago, we were told the stimulus would cost us 787 billion dollars. That cost has risen in the latest estimate to 862 billion dollars. The total price eclipses one trillion dollars when you include the borrowing costs.
- Rather than acknowledge the limitations of this borrow-and-spend approach, the Administration and this Congress have opted to move the goal posts and double-down.
- We will likely be told today – as Americans have been lectured throughout the so-called “Recovery Summer” campaign blitz – that those promises were based on “*miscalculations of the severity of the situation.*” The proponents will tell us that we should all be grateful that the pain isn’t more acute, and that it is not fair to hold policymakers accountable for the failures of their policies.
- The economic models that overpromised on the stimulus were clearly wrong, yet the Administration relies on these same economic models to make the case to double-down on this failed borrow-and-spend economic experiment.

- The failed stimulus is unfortunately typical of Washington's destructive economic agenda. The government cannot spend, tax, and regulate its way into economic prosperity, but that's exactly the policy course the Majority has chosen.
- Washington's economic overreach is paralyzing investment and growth, fostering an environment of anxiety and uncertainty, and further eroding the American people's trust in their elected leaders.
- From health care and the financial sector to the auto industry and the costly cap-and-trade national energy tax – this Administration and this Congress seem to believe that the answer to every problem is to explode the size of government and centralize power in Washington.
- And, while the Administration will be quick to highlight what it sees as accomplishments from deficit spending on its stimulus program, we have no budget. We just learned the Administration's budget and economic update – due tomorrow – will be delayed this year. We still haven't received the Trustees report on Medicare and Social Security's financial health, which we usually receive in April.
- The American people are fed up with the relentless push to spend money we don't have, add to our crushing burden of debt, and evade accountability for the dismal results.
- We need to chart a new course. Let's cancel the remaining stimulus funds, get a grip on runaway spending, and advance pro-growth economic policies. We need to spur sustained job creation, rebuild confidence in our future, and restart the American engine of prosperity.
- Thanks again to all of our witnesses, and I look forward to your testimony.