Ranking Member Steve Womack (R-AR) Opening Remarks at Hearing Entitled: Strengthening Our Fiscal Toolkit: Policy Options to Improve Economic Resiliency

Remarks As Prepared For Delivery:

Thank you, Mr. Chairman, for holding this hearing.

Whether some would like to admit it or not, there has been a resurgence of economic confidence within our country. Years of stagnation have been replaced with job and wage growth, as well as a prosperous American economy.

The pro-growth policies our Republican majority enacted last Congress, including historic tax relief, unlocked extraordinary promise and opportunity for hardworking Americans. In fact, earlier this month, we saw a jobs report indicating the lowest unemployment rate our nation has seen in half a century: 3.5 percent.

Since November 2016, employers have created nearly 6.5 million new jobs across all sectors. Wages are also rising and showing sustainable, organic growth. The median average income increased by 3.4 percent in 2018 according to the latest data from the Census Bureau.

This historic forward momentum certainly does not mean that we should ignore the possibility of an economic downturn. Rather, I believe it means we should be focused on policies that ensure continued economic strength. We should encourage an environment that supports America's job creators and allows workers to pursue greater opportunities.

There are a number of actions Congress can take to guard against a recession – and to help maintain our current economic growth. First and foremost, the House must take up and pass the USMCA. This important trade deal will provide much-needed support to our nation's farmers and manufacturers, and it will modernize our policies to reflect the realities of the 21st century global economy.

Secondly, we must protect the 2017 Tax Cuts and Jobs Act, which has benefitted American families. This point was reiterated earlier this year as the CBO testified before our committee. The statement was clear: repealing these important reforms would reverse the gains made and put nearly one million American jobs at risk. Those jobs represent real families who could lose their livelihoods if these tax cuts were eliminated.

Third, we must continue to reduce burdensome regulatory barriers to economic growth.

Redundant federal regulations and permitting requirements unnecessarily extend the timelines of major projects and add massive compliance costs to development budgets. One of our witnesses today will detail the enormous cost of complying with burdensome regulations imposed by the Obama Administration – $890 billion – according to the agencies themselves. The relief from these mandates over the last two years has been an important component of the confidence we have seen in the economy among job creators.

Lastly, this Congress has a responsibility to reduce the cost of living for America's middle-class. Over the past few decades, families have seen their largest price increases in some of the most heavily regulated and subsidized sectors of the economy, including health care, higher education, and housing. Free-market policies could help lower costs in these industries by increasing competition and enhancing consumer choice.

As Ranking Member of the Budget Committee, I am skeptical of proposals to create more automatic stabilizers beyond those that exist in current law. By creating more of these mechanisms, we would reduce oversight by elected officials at a time when our nation, and our budget, need the exact opposite. The root cause of our ever-growing debt is runaway mandatory spending – which currently accounts for 70 percent of all federal spending. We should be working to bring more of those expenditures back under our oversight which is where they belong.

A final reason to be suspicious of proposals to create new automatic stabilizers is that the programs are not likely to be deficit neutral. I'll be curious to see if offsets will be suggested today for the new increases in mandatory spending.

Our focus should be on preventing a future crisis instead of reacting to it. We should implement policies that will help avoid a recession in the first place – and reduce our long-term debt burden over time and in a responsible way.

Thank you, Mr. Chairman, and with that I yield back the balance of my time.

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