

**RYAN PREPARED OPENING STATEMENT
MARKUP – FY2009 BUDGET RESOLUTION**

- For the most part, I believe our two parties agree on many things. We agree on the need to balance the budget. We agree on the need for solid, sustained economic growth that produces an abundance of good-paying American jobs. And I believe that we both understand the magnitude and urgency of the entitlement crisis – and agree on the critical need to address it.
- But, as this budget makes clear, there is *glaring* disagreement on how best to achieve these goals – or, as in the case of entitlements, to even address the challenge.
- *Republicans* believe that the best America is an America free from the burden of big government. We believe that the nucleus of our society, and the engine of economic growth in this country, is the individual, the family, the entrepreneur – not the government. And we believe the more the federal government burdens an individual, the less freedom he or she will have, and the less opportunity to realize his or her potential.
- Clearly, the Democrats have a much different philosophy. They believe that *bigger* government is *better* government. And they believe that the best way to solve our nation’s myriad problems is with ever-higher spending -- chased by ever-higher taxes to pay for that spending.
- Their budget today underscores their commitment to that philosophy: both in what it *does*, and in what it *fails* to do.
- The first thing that this budget does is raise taxes. Any way you cut it, this budget includes a huge tax increase on workers, families, and small businesses – many of whom are already struggling to make ends meet.
- In recent months, we’ve seen a host of *legitimate* concerns in the economy. Growth and job creation are slowing, and many Americans are dealing with *declines* in their home’s value, combined with *rising prices* for food, energy and health care.

- The worst thing we could do to a struggling economy – and struggling families -- is to raise taxes. But if we pass this budget, that's exactly what we'll be doing – imposing on the economy, and on our constituents – the *largest tax increase in American history*.
- One of the most ironic things about the Democrats' tax increase is that it comes on the heels of the bipartisan economic stimulus plan.
- Just last month, Congress passed a “stimulus” package to give struggling families some of their tax dollars back, and provide incentives for businesses to expand and create jobs.
- *But before we could even get these checks out of the door*, the Democrats today unveil a budget that will take all that money back – plus demand *hundreds of billions* more.
- Far from *consistent* tax policy – that's not even *coherent*.
- Is \$600 really going to make a difference to someone in Wisconsin with a tax increase of nearly \$3,000 *per year* looming on the horizon?
- Does a one-time check of \$1,200 *really* make up for later taxing that same family-of- four \$6,000 more -- *each and every year*?
- Will it make up for:
 - Raising marginal rates on *all* taxpayers – including lower-income individuals who have benefited from the 10 percent bracket;
 - Slashing the \$1000 per-child tax credit in half; and
 - Reinstating the marriage penalty; and
 - Making it *that much harder* for families to pay their mortgage, to pay their grocery bills, and to send their kids to college?
- And unlike their rhetoric would have you believe -- we're not just talking about hurting the rich. We're talking about raising taxes on every single American taxpayer.

- Again, as they did last year, my friends on the other side of the aisle insist that this *isn't* their plan -- that their budget isn't *really* going to raise taxes. But, the facts are crystal clear.
- This budget *requires* a \$683-billion tax increase. First, because it assumes the complete expiration of the 2001 and 2003 tax laws. And – because of their own PAYGO rule – just to continue those same laws which are already in place, they're required to “offset” current provisions with an equal tax hike of \$683 billion.
- And second, because they've already committed all of that revenue to pay for their spending.
- So we've got to understand that we will *never rid our government of deficits or debt simply by raising taxes*. Our problem has never been that American taxpayers are sending Washington too little of their hard-earned tax dollars.
- The problem is that we're spending far too much – far too quickly – to be sustained. But for all the Democrats' purported concern about the deficit, all they've chosen to do since they came into the Majority is *spend more and more money*.
- This year's budget would certainly continue that trend.
- The Democrats' budget proposes to increase entitlement spending by \$untold amounts through the use of numerous “reserve funds.” At the same time, they want to increase *non-security* discretionary spending by more than \$22 over the President's request.
- But even while demanding billions in *new* spending, they've failed to do anything to reduce the wasteful spending *already* in the budget. In fact, last year, the Majority's appropriations bills included over 11,000 earmarks – at a cost of nearly \$17 billion to taxpayers.
- This year, the Majority has already rejected Republican calls for a moratorium – *or even reform* -- to reduce the wasteful, self-serving spending. In this regard, we can expect more of the same: another year, and another choice by the Majority of pork over paychecks.

- But for all of the additional spending, the worst thing about this budget isn't what it *does*, but the many things that it *fails* to do.
- First, I think it's fair to note that if we apply the Democrats' own standards – *this budget doesn't even achieve balance*. That's because this budget suffers from the same shortcomings that the Democrats criticized the President's budget for -- just weeks ago.
- This budget doesn't pay for an AMT fix, and it doesn't pay for the war.
- **Chart 20:** As a result -- as this chart shows -- this budget doesn't really balance in 2012. Instead, it remains in the red -- *for as far as the eye can see*.
- Finally, for the second straight year, the Majority's budget fails to include *even one* meaningful reform to address the entitlement crisis. This means that -- even if this budget *were* to balance in 2012 -- it would quickly be driven right back into deficit by these programs' current path of growth.
- By ignoring this problem, this budget ignores every one of the witnesses we've had before this Committee who've warned that our largest entitlement programs – particularly Medicare, Medicaid, and Social Security – simply cannot be sustained as currently structured.
- These experts have told us – *unequivocally* – that if we fail to reform these programs, not only will they grow *themselves* right into extinction, they'll impose a crushing burden on our budget, and all but eliminate our nation's ability to compete in the global marketplace.
- For example, GAO Comptroller General Walker recently testified that the long-term fiscal obligation of the U.S. government is \$53 *trillion* – or about \$180,000 in unfunded liability for every man, woman, and child in the United States -- \$180,000 per-person! You could buy a nice *home* for that much back in Wisconsin.
- And we now know that this problem -- *once* dismissed as somewhere off in the future – *is already upon us*.

- On February 12th of this year, the first baby boomer -- a retired teacher from Maryland -- received her first Social Security check. And right on her heels are over *80 million* baby boomers who will qualify for *both* Social Security and Medicare retirement.
- And just last month – the Medicare “trigger” was set off – sending a clear warning shot to Congress that we must act immediately to get this program on a sustainable path.
- **Chart 10** – In fact, by doing nothing – by ignoring this problem for another five years – the Democrats’ budget will add another \$14 trillion in unfunded liabilities for future generations.
- And this is just in the next five years. Over the long-term, the problem will grow much larger than that.
- **Chart 5** – As this chart shows, by 2040, our three largest entitlement programs *alone* will consume 20% of our economy – equivalent to the cost of the *entire Federal Government* today.
- By this time, the overall size of the government will consume 40% of our nation’s GDP -- more than double the historic average of 18.3%. That means that by the time my three kids are my age, they will have to pay *twice* the current rate of taxes *just to maintain the status quo*.
- The only *choice* we’d leave them would be to pay that crippling tax burden, or simply accept the fact that their nation can no longer afford health care, education, or even defense or national security.
- *I can’t imagine there’s one of us who finds this kind of future acceptable.*
- Everyone talks about this coming entitlement crisis as our greatest challenge – and rightfully so. *But it is also our greatest opportunity.*
- Today, with this budget, we have the opportunity to save Medicare, Medicaid, and Social Security from financial ruin. We can make these programs better -- stronger, more responsive, more resilient, more sustainable, and more in line with the way our economy really works.

- And, if we act now, we have the opportunity to make these reforms in a rational, well-thought-out way. We don't have to wait for the crisis to hit.
- But regrettably, that's exactly what the Democratic Majority would have us do. With this budget, they are simply accepting that we are going to continue to pile up massive amounts of debt for our children, and are going to force them to pay double what we do in taxes simply to keep these programs afloat in the future.
- In closing, let me say that I've come to know many of my colleagues on the other side of the aisle fairly well. And I don't have a doubt in my mind that *every one of them* is just as well intentioned – and just as concerned -- about our nation's future as anyone on this side of the aisle.
- *Every one of us* wants our great nation to remain strong, safe, prosperous, and free – today, and well into the future.
- And every one of us wants to pass onto the next generation a world that is even better than the one our parents gave us.
- By giving us these jobs – by sending us to Congress -- that's exactly what our constituents have entrusted us to do.
- With that great responsibility in mind, I will be opposing the budget we are considering today. This budget misses an historic opportunity to put our nation on a better path. Instead, it chooses the path of big government -- higher spending, higher taxes, and higher debt.
- I can only hope that this Congress will choose to change course before it's too late. Because if we fail, we may be the first generation to sever that precious, and fragile, American legacy of leaving a better standard of living for future generations.