

**Mr. Sensenbrenner's Opening Statement for Select Committee on Energy Independence and Global Warming hearing: "The Green Road to Economic Recovery."**

**Sept 18, 2008**

Not often do I cite the words of Democratic politicians, but much of the testimony submitted for today's hearing reminds me of the words of former President Harry Truman, who once said:

"Give me a one-handed economist! All of my others say 'On the one hand... on the other.'"

There is a lot of speculation about how so-called "green jobs" will boost the U.S. economy, which given the recent news, is clearly struggling. Any new jobs are good for the economy, green or not. Jobs that can transform our energy economy are especially good jobs.

The question isn't whether green jobs are good or not. The question is whether a program to promote green jobs is the tonic our ailing economy needs.

I agree with the testimony of one of our witnesses, who says that any government efforts to shore up our economy have to start with stabilizing housing prices and strengthening the financial system.

Margo Thorning, who is the senior vice president and chief economist for the American Council for Capital Formation, advises Congress to allow time for recent actions by the Federal Reserve Board and the U.S. Treasury to take effect before putting more taxpayer dollars at risk.

I agree, and I am especially concerned about Congress putting more taxpayer dollars on the line.

As Ms. Thorning points out, one proposal supported by some here today requires \$100 billion from the federal government to help

create these so-called “green jobs.” I share her skepticism about this report, particularly because the proposal relies on higher taxes, or deficit spending, as a means to pay for these government-supported job programs.

Taken from either hand, this is a bad idea.

Some witnesses today will say this perpetual revenue stream will come from the legislative proposal called cap-and-trade, but I call cap-and-tax, because I call them like I see them. Cap-and-tax failed miserably in the Senate earlier this year, primarily because it was clear it would raise energy prices and taxes. Higher taxes won't pull us out of the economic malaise we are in. In fact, it will just stall the economy even more.

A recent report from Ms. Thorning's group, the American Council for Capital Formation, shows exactly what we can expect from cap-and-tax: As many as 1.8 million jobs lost by 2020; up to a

\$1.46 rise in gas prices; and potentially more than a 100-percent jump in electricity and natural gas prices.

This does not sound like a formula for economic recovery.

Unfortunately, the House Democratic leadership missed its chance this week to help lower energy prices, and that would have been a big help to our ailing economy.

But instead of opening the vital new energy resources our economy needs, the House leadership passed a sham energy bill that keeps most of our energy resources under lock-and-key. By keeping the 50-mile ban on offshore drilling, the bill keeps 88 percent of offshore gas and oil reserves off-the-table. By leaving out nuclear and clean-coal technology, this bill doesn't advance key low-emission energy technologies, which are vital if we are to confront climate change without damaging the economy.

However, it would be unfair to say this legislation won't help create new jobs. By keeping lawsuit reform out of the bill, there will be plenty of opportunity for trial lawyers to sue any company that tries to find new domestic energy resources. If that's a green job, then I think this sham of an energy bill will produce plenty of them. But I still don't believe it will help the economy.

As we will hear today, the economists will have many different ideas on what will and what won't improve the economy. As Irish playwright George Bernard Shaw once said: "If all economists were laid end to end, they would still not reach a conclusion."

That said, it doesn't take an economist for me to conclude that higher taxes and more regulations is not the answer for our ailing economy.

####