



BUDGET COMMITTEE



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**Senator Gregg's Opening Statement
at Hearing on the Global Economy
January 29, 2009
(unofficial transcript)**

Thank you, Mr. Chairman. Thank you once again for your excellent outline of the issue and I, as you know, agree 100 percent with your assessment that the present stimulus package is not on target.

The problem is real estate; we need to fix the problem now and we need to put value into the real estate markets which will give homeowners confidence that their asset is worth what they paid for it, or a reasonable amount, and that they can afford the mortgage which they are paying on it. And equally important, that the lenders' value of these assets is able to be stabilized so that they can assess where they stand relative to their capital situation, which is one of the big problems.

So the problem is real estate. This is the nail we should be hitting and yet we appear to be taking the hammer and moving over and trying to hit some other nails which are significant, but aren't necessarily that relevant to the immediate problem.

So I would hope we could rewrite the stimulus package and I would hope that we could do it in a positive and bipartisan way by moving some of the funds that are going to go into the long-term baseline -- for the purposes of programmatic activity that should be undertaken in the usual appropriations process -- and moving those dollars now over and onto the issue of addressing the real estate issue. And then if during the appropriation process, if those committees wish to -- within your budget limitations of course -- address those priorities, they will be able to.

On the international front, I'd be interested to hear from the panel today because my sense is that we're not going to get out of this slowdown through international efforts, that basically the ability to turn this around is going to require that America basically proceed in a coherent and thoughtful way, hopefully in conjunction with our trading partners, but as a very practical matter we're the most cogent entity and we're the biggest economy and therefore we have a responsibility to move forward.

But I am going to be interested to hear what our excellent panel has to say on the issue of where these other economies are going. What's happening in Japan, what's happening in China, and obviously what's happening in the European communities is very important to us. And so I thank you for convening this excellent panel of talented individuals and I look forward to hearing their comments. Thank you.