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**Congress of the United States**  
**House of Representatives**

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**DEAN, NEW JERSEY DELEGATION**

New Jersey Chamber of Commerce

January 27, 2011

Excerpts by Rep. Chris Smith

Chairman Dennis Bone, President Tom Bracken and the entire Chamber leadership, on behalf of the 13 Member House delegation, let me note that we are deeply grateful for your extraordinary leadership, vision and proven commitment to building a better and more prosperous New Jersey.

Prosperity, as we know, doesn't just happen. Business leaders make it happen. You create the ways and means to feed, clothe, connect, heal, house, and entertain our families.

For a century now, the New Jersey Chamber has been at the forefront of actually creating the jobs politicians love to brag about. You take the prudent risks and plan and execute. And you always make the time to tangibly assist charities of every stripe.

While politicians don't always get it right, your voice in Trenton and Washington has made a profound difference on budgets and policy.

You proudly tout the wizard of Menlo Park, Thomas Edison as a NJ Chamber founder, a fact that is emblematic of New Jersey's global leadership in cutting edge technology and innovation.

It's been said that Albert Einstein once noted that the greatest force in the universe is compound interest.

When it's working for you, ride the good times. When it's not, it can be catastrophic for individuals and ruinous to nations.

The United States today—and much of the world—faces unprecedented challenges in trying to grow the economy and help businesses create jobs while confronting mountains of unsustainable debt that has the potential of undermining it all.

We've got to ask the hard questions:

- Is our tax code not only fair but pro-growth?
- Are regulations undermining business?
- Has the stimulus worked?
- Where are the jobs?
- Has the Federal Reserve gotten it right? Gone too far?
- Are we at or near the tipping point on debt?

Last night AP reported some good news—companies seem poised to expand and hire in 2011. This morning, however, it was reported that new claims for unemployment unexpectedly jumped by 51,000.

The stock market has risen sharply, hopefully the harbinger of better days ahead.

At the end of last year the White House and Congress came together in a bipartisan manner to extend the Bush tax cuts, at least for a while, averting what would have been the largest tax increase ever which could have smothered any chance of recovery.

But yesterday, the non-partisan Congressional Budget Office (CBO) ominously forecasted that the federal budget deficit will grow to nearly \$1.5 trillion in 2011, which comes on top of record deficits of \$1.3 trillion in 2010 and \$1.4 trillion in 2009.

Shockingly, CBO said that at current spending rates, the federal debt will climb every year from 2011 to 2021 reaching an unimaginable \$25.1 trillion in 2021.

(In 1911—the year the NJ Chamber was founded, the federal debt was \$2.7 billion—today it's \$14 trillion en route to over \$25 trillion in a mere 10 years.)

Two days ago, the President delivered his State of the Union message to Congress and the American people.

It was, like most major presidential speeches, skillfully written and delivered.

In part, out of respect for our recovering distinguished colleague, Gabby Giffords, there was an enhanced sense of bipartisan goodwill in the House Chamber—but it should be noted, that much of what we do year-round even when we vehemently disagree on issues, is done with respect for each other regardless of party or ideology.

On spending cuts and debt, the President proposed a freeze on annual domestic spending at current highly elevated levels. Yet in the last two years domestic spending has skyrocketed. What does a freeze really mean? Maybe it is a start. The spending cut proposal came late in the speech suggesting at least to me a lack of urgency, and perhaps an under-appreciation of the risk our massive debt poses to our economic future.

The President said he has ordered a review of regulations that stifle business growth and investment, and promised to work with Congress on medical malpractice—let's hope so.

In his speech, the President spoke eloquently against the dictator in Tunisia and said the United States of America stands with the people of Tunisia and I applaud him for that, but was silent on the dictator in Beijing.

According to the U.S. Department of State, China's dictatorship is among the most egregious mass violators of human rights in the world—and even continues to incarcerate Nobel Peace prize winner, Liu Xiaobo. The people of China desperately need words and deeds of solidarity from the leader of the free world. And it makes good business sense as well. The systematic repression of the Chinese people is directly related to disrespect for intellectual property rights, copyright infringement and a lack of business transparency. And I find it perplexing that the only group the President singled out for “exploiting,” people in the State of the Union was, not China dictatorship but the U.S. health insurance industry.

In the coming weeks Congress and the Administration will need wisdom and courage to make the hard choices as Governor Chris Christie and the legislature has done—and is doing—in Trenton.

I believe we are at or near the tipping point. We must act wisely so our kids and grandchildren don't pay our debts in perpetuity.

As serious proposals to prudently cut spending and prioritize remaining streams of funding get introduced, debated, and voted on, we need the unique insights of the Chamber to help us get it right.