



Congress of the United States
House of Representatives

January 15, 2008

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, D.C. 20515

Dear Speaker Pelosi:

Following your meeting with Federal Reserve Board Chairman Bernanke yesterday, we were pleased to hear you reiterate calls for bipartisanship on an economic stimulus package, noting that you and Senator Reid “want to work with the President in a bipartisan way to develop a fiscal stimulus package to address the severe strains being felt by millions of Americans.” We are equally hopeful that a bipartisan agreement can be forged early this year. Such a development would be welcome news for middle-class families and small businesses feeling the budget crunch amid our increasingly-sluggish economy.

As we begin the second session of the 110th Congress, House Republicans are proud to extend our hands in bipartisan cooperation on this priority. We sincerely believe that Members on both sides of the aisle and the President can work together to craft a responsible package that reduces the tax burden on families and employers so they can more effectively deal with the rising costs of living that too many Americans know all too well.

At the same time, it is incumbent upon Congress not to make matters worse by raising taxes on anyone, in any way, while ensuring the measure does not become a vehicle for unrelated spending that has no place in an economic stimulus package.

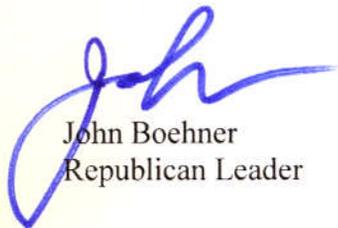
This includes tax increases that may be masked as “offsets” in order to comply with Congress’ “PAYGO” rules. Such tax increases – on top of an already-record high tax burden, skyrocketing gas prices, and rising costs for health care and home mortgages – would be steadfastly opposed by House Republicans because of the devastating impact they would have on middle-class families and small businesses already struggling to make ends meet. In fact, you may recall that in testimony last year before the Joint Economic Committee, Chairman Bernanke warned against tax increases because they “tend to be a drag on consumer spending and on the economy through a number of different channels” and, thus, “would probably not be advisable.”

Therefore, Madam Speaker, in the interest of true bipartisan accord, we request that you and the Democratic leadership in both the House and Senate agree to take tax increases – in any form – off the table as we negotiate an economic stimulus package. This is of particular concern to us because of the \$250 billion in tax increases cleared by the House last year – many of which were masked as “offsets” to comply with “PAYGO” rules. Likewise, it is imperative that the process of crafting this package is not abused by those seeking to attach “pet projects” or otherwise wasteful spending to the final product. Including unrelated spending in a bill solely reserved to jumpstart our economy would be both irresponsible and disrespectful to the men and woman who are counting on us to spend their tax dollars wisely.

Indeed, if such tax increases or wasteful, unnecessary spending are included in the proposal, not only will House Republicans be forced to strongly oppose the plan, but it also will represent a major missed opportunity for this Congress.

We look forward to discussing the need for and shape of an economic stimulus package with you, Majority Leader Hoyer, and the entire Democratic leadership team over the next several days and weeks. And as we begin 2008, we wish you a most happy and healthy New Year.

Sincerely,



John Boehner
Republican Leader



Roy Blunt
Republican Whip