

By: Keffer

H.R. No. 716

R E S O L U T I O N

1 WHEREAS, Since this recession began, a staggering number of
2 Americans have lost their jobs, and the heavy burden of
3 unemployment is causing the economy to weaken further; and

4 WHEREAS, The American Recovery and Reinvestment Act signed by
5 President Barack Obama on February 17, 2009, appropriates \$787
6 billion in federal funds to jumpstart economic recovery; the
7 stimulus package is designed to help economically devastated cities
8 and states, to create or save some 3.5 million jobs, and to invest
9 in infrastructure, green energy, and technological innovation; and

10 WHEREAS, In order for the stimulus funds to have the greatest
11 impact and to maximize the creation and preservation of jobs, they
12 should be spent, as much as possible, on domestic materials, goods,
13 and services; and

14 WHEREAS, The Congressional Budget Office has noted that the
15 most effective type of fiscal stimulus is one that directs money to
16 people who are most likely to spend it quickly; thus, when a
17 stimulus allows a United States household to purchase the items it
18 needs, demand in this country is increased, and the initial
19 stimulus sets in motion further periods of economic consumption in
20 a process known as a "multiplier" effect; the degree of stimulus
21 provided depends on how much of the resultant spending goes to
22 purchase domestically produced goods, because if the additional
23 consumption is satisfied by imported goods, the income of foreign
24 producers rises, and the stimulus is essentially exported; and

1 WHEREAS, The number of American workers drawing unemployment
2 aid jumped to a record high of nearly five million in early February
3 2009, and this labor market deterioration is sending the economy
4 into a deeper spiral; in order to maximize the effectiveness of the
5 stimulus package at this crucial moment, it is imperative that the
6 funds be spent domestically whenever practicable, using American
7 tax dollars to amplify aggregate demand and create the greatest
8 number of American jobs possible; now, therefore, be it

9 RESOLVED, That the House of Representatives of the 81st Texas
10 Legislature hereby express its intent that funds provided to the
11 State of Texas by the American Recovery and Reinvestment Act be
12 spent, as far as practicable, on domestic goods, materials, and
13 services.