

"Eh brah! When you goin fix da economy? I wen lose my job a year ago an I no can fine work!"

This is a question that is posed to me often. My brother-in-law, an excellent union sheet metal worker, was laid off because of lack of work. Truth be told . . . our state government cannot fix the economy. Economists know that *the economy runs by market forces and usually takes its own path.*

These past couple of weeks, attending the 2011 House Finance Committee Informational Briefings has reaffirmed my belief. The pundits admit that the economy pretty much runs by itself. For example, the upward trend in tourism today, was predicted back in 2007; nothing that our state government did in 2008, 2009, 2010, significantly affected the rise in today's tourism numbers. Even increasing the hotel room tax by 2% in 2009 and 2010, the tourist arrivals still rose as predicted. I am making a very simple analysis and realize that there are many more factors at work here.

Policy makers have a long history of promoting "economic activity." These are short run injections or disruptions to the economic cycle. For example, the Federal housing credit made a short run disruption in the housing market but did not have a permanent economic effect. Another example is the *Cash-for-Clunkers* campaign. I have used federal examples because the Hawaii State government is so tiny that none of its initiatives will have a large and long lasting economic effect.

So the question we should asked is "What can state government do?"

This session, one of my primary tasks will be to look at different initiatives that will create economic activity and weigh the present and future costs of these initiatives. The question I ask myself is: *"Do I support more government construction jobs to help my brother-in-law, at the cost of future debt service and maintenance costs?"*



I also know that accelerating construction projects now will mean that in the future, we must depend on the private sector to fill the void. The tech industry will come (again) and ask for tax credits, and other direct subsidies touting economic diversification and sustainability. The entrepreneurs will tell me it is more sensible to give them the money, than the university because they (entrepreneurs) have a hundred times better track record of sprouting new technologies and creating jobs.

Well, the session has started and it's time to listen and decide. It is not an easy job & yes, I think I will help out my brother in law.....he's really a nice guy. That's it for now folks!

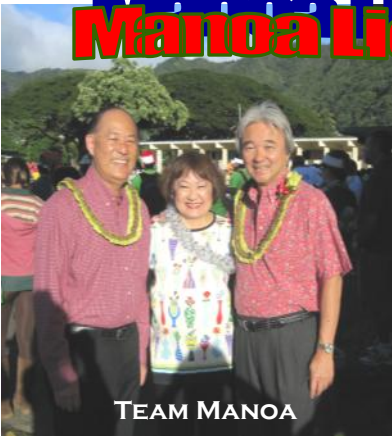
**HAPPY NEW YEAR!
2011**

Mahalo & Aloha,

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Manoa Lions Christmas Parade 2010



TEAM MANOA



KEAHI ST/HUELANI DR
NEIGHBORHOOD SECURITY WATCH



MALAMA O MANOA



Come early and talk story with Rep Choy

Manoa Neighborhood Board Meeting

Wed. Feb. 2, 2011 7pm, Noelani Elem. School Cafeteria

McCully/Moiliili Neighborhood Board Meeting

Thurs. Feb. 3, 2011 6:30pm Washington Middle School Cafeteria

Community Issues/Concerns? Tell your City & State Representatives



Rep. Choy's 2011 Staff:

L to R: Pam Seeney & Dennis Yamamoto-Session Legislative Aides
Carole Hagihara-Office Manager



STATE OF HAWAII

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Rep. Isaac Choy

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