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# House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Ms. EDWARDS of Maryland).

## DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
*January 13, 2009.*

I hereby appoint the Honorable DONNA F. EDWARDS to act as Speaker pro tempore on this day.

NANCY PELOSI,
*Speaker of the House of Representatives.*

## MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 6, 2009, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 30 minutes and each Member other than the majority and minority leaders and the minority whip limited to 5 minutes.

## A NEW DIRECTION FOR AMERICA'S ECONOMIC FUTURE

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. DEFAZIO) for 5 minutes.

Mr. DEFAZIO. Madam Speaker, I congratulate the President-elect on being in touch with the American people in understanding the pain on Wall Street, of job losses, of foreclosures, and of the sense of urgency. I share the sense of urgency he brings to this issue and the idea that we need a significant new investment—stimulus, whatever you want to call it—in America to turn things around. That's the good news.

The bad news is I don't believe he is well served by his economic advisers. These are your typical pointy-headed, academic economists who think that what we need is to return to a speculative, consumer-driven society, not a wealth-oriented, production-driven society with a strong foundation. They want instant gratification with five times as much in tax cuts as investment in infrastructure in this country, a country with a $1.6 trillion infrastructure deficit—a crumbling water system, sewer systems, roads, bridges.

One hundred sixty thousand bridges in this country on the National Highway System, let alone the local, are structurally deficient or are functionally obsolete. Our transit systems are operating with obsolescent or obsolete equipment. Now, the investments in these areas aren't all shovel-ready. They're going to drop this shovel-ready 60 days, going to be done in 18 months. We are in deep trouble in this country, and rebuilding the foundation and the underpinnings of this economy is going to be critical toward a long-term recovery effort. When you invest in these things, you put people to work. These are much better than tax cuts.

Now, you don't have to take it from me. Yes, he has his economic advisers—Mr. Summers and others—but I would rather take advice from Paul Krugman, who just got the Nobel Prize for Economics.

He says, ''And bear in mind that even a project that delivers its main punch in, say, 2011 can provide significant economic support in earlier years. If Mr. Obama drops the 'jump-start' metaphor, if he accepts the reality that we need a multi-year program rather than a short burst of activity, he can create a lot more jobs through government investment even in the near term.''

He goes on to say, ''So my advice to the Obama team is to scrap the business tax cuts and, more important, to deal with the threat of doing too little by doing more, and the way to do more is to stop talking about jump-starts and look more broadly at the possibilities for government investment.''

How about a national high-speed rail network? That would take decades. It would cost hundreds of billions of dollars, but it would build a future for America. The emergencies would be built here. The cars would be built here. The tracks would be built here. It's so much more fuel-efficient than our current modes of transportation. How about our existing transit system—the 12,000 obsolete buses or the need for new streetcar systems? These projects, yes, can't be going in 60 or in 90 days. Well, a few of them actually can. In fact, we have a list on the Transportation and Infrastructure Committee from both local and State and national groups that totals a couple hundred billion dollars. Yet Mr. Summers poo-poos the idea that there is an adequate amount of investment that can be begun and made in the short term, and he'd rather send it out in checks of about $8 per pay period to Americans.

I don't think the people I represent believe that, if they get an extra $8 take home that that's building a strong, new foundation, giving them confidence in the future of this economy, and I certainly don't believe that banks should be able to recapture taxes they paid in the past because they've speculated themselves to the verge of insolvency, taking money from the taxpayers that they won't tell us how they've billed. Now they want to get a look-back on their taxes. That's not going to put one single person to work. It might give some CEO yet another bonus, but it's not going to put anybody to work.

Let's have a much more realistic, concrete, if you will, investment in America's future rather than more of the same. The huge amount of tax cuts in this proposal sound a little bit too much like the George Bush trickle-down economy. It's time for a new direction to rebuild the foundations of

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

this country, and I urge the President-elect to bring in his economic advisers for a little chat and, perhaps, to reorient their thinking.

## THE HERITAGE FOUNDATION SUPPORTS COOPER-WOLF SAFE COMMISSION IN STIMULUS LEGISLATION

The SPEAKER pro tempore. The Chair recognizes the gentleman from Virginia (Mr. WOLF) for 5 minutes.

Mr. WOLF. Madam Speaker, I come to the floor today to raise the issue of the dire financial situation facing our country.

We must come together to face the reality that America is living on borrowed dollars to the tune of $11 trillion in debt and $54 trillion, soon to go higher, in unfunded liabilities with entitlements. We must offer a bipartisan solution to these long-term financial challenges.

In recent days, there have been calls to consider the long-term budget controls in tandem with any economic stimulus package offered. The respected Heritage Foundation released a report last Friday, entitled ''Stimulus Legislation Must Include Budget Reforms to Address Long-term Challenges.''

The report offered support for budget control mechanisms that would be set up through the Cooper-Wolf SAFE Commission legislation in the House and the Bipartisan Task Force for Responsible Fiscal Action effort proposed by Budget Chairman KENT CONRAD and Ranking Member, Senator JUDD GREGG, in the Senate.

The Heritage publication, which I submit for the record, notes that SAFE ''would have the advantage of a two-step process. Its first phase would be a series of nationwide public hearings to talk frankly about the long-term fiscal problems and the tough options for fixing it and build public support for congressional action on a broad plan of action.''

As our colleagues may recall, the SAFE process would culminate in legislative recommendations to Congress, and like the BRAC process for closing bases, Congress would be required to vote up or down on the plan.

I know there have been questions raised about incorporating long-term budget controls in a short-term stimulus aimed primarily at job creation, but I would argue—and many would argue—that the time is now here to begin to confront the underlying problem of autopilot spending. I don't know about other Members, but my constituents continue to share their frustration with Congress' seeming to know only how to spend money with no regard for the future.

We need to listen to the American people and show them that we can lead and that we can make the difficult choices. The longer we wait and the more consuming entitlement program spending becomes, the more draconian our choices will be. We are mortgaging the future for our children and grandchildren. The bottom line is we cannot deal with the short-term financial problems without thinking about and dealing with the long-term solutions.

The SAFE Commission is not a new idea. Over 110 Members of Congress cosponsored the legislation in the last year. The Heritage Foundation, the Brookings Institution and the Concord Coalition all helped draft the bill.

Jim Cooper and I joined bipartisan forces in the last Congress, and SAFE has continued to garner support from other leading voices, including the business community—the Virginia and Tennessee Chambers of Commerce, the Business Roundtable and the National Federation of Independent Business.

We all know that it will take all of the political courage that we can muster to reject the partisan and special interest demands and to do what is best for the country. If other Members have a better bipartisan idea that can pass the House, they should be introducing it, and it should be included in the stimulus package.

Not acting on this issue is effectively supporting either the ''do nothing plan'' or the ''maybe this problem will fix itself plan'' or the ''let's just bury our heads in the sand plan,'' but the numbers don't lie. The Nation's future outlook is sobering. Just in the short term, CBO projects that the Federal budget deficit for this fiscal year alone, which started in October, will balloon to $1.2 trillion and perhaps higher.

We offered this SAFE idea as an amendment to the FY09 Financial Services spending bill last June. Unfortunately, we came up one vote short of passage. Congressman ALLEN BOYD, the founding member of the Blue Dog Coalition, spoke eloquently from his heart in support of the amendment, asking us to envision ourselves 20 years from now, sitting on the front porch and telling our grandchildren about the days we served in Congress.

What will we tell our grandchildren—that we looked the other way, knowing that out-of-control entitlement spending would threaten the living standards of future generations?

The stakes for the country's future may have never been so high. This is clearly an economic issue, but it is also a moral and a generational issue. Abraham Lincoln once said, ''You cannot escape the responsibility of tomorrow by evading it today.'' I believe the moral component of this issue goes to the heart of who we are as Americans.

This is not a Republican issue or a Democrat issue. It is an American issue. If we can't find a way to come together on this fundamental issue, I will have serious questions about our ability to find bipartisan solutions that will work for the good of the country.

I am asking our colleagues today to come together, to know that while we served in Congress we did everything we could in our power to provide the kind of security and way of life for our children and for our grandchildren that our parents and grandparents worked so hard to provide for us.

This challenge, too, goes out to the leadership in Congress and to the soon-to-be Obama administration to make this a truly bipartisan effort. Put the SAFE Commission process in the stimulus package and on the fast track to enactment.

I have never been more committed to an issue and to helping to find bipartisan solutions to address our long-term financial sustainability of this country. The American people expect nothing less.

[From the Heritage Foundation, Jan. 9, 2009]

STIMULUS LEGISLATION MUST INCLUDE BUDGET REFORMS TO ADDRESS LONG-TERM CHALLENGES

(By Alison Acosta Fraser)

Congress and President-elect Barack Obama have set their sights on a massive economic stimulus bill crammed full of spending projects intended to ''jolt'' the economy into recovery. By some counts this package may reach $1 trillion, or nearly 85 percent of the total of all budget bills passed last year.[1]

This is not the way to spur economic recovery. But even if it were, Obama already recognizes he faces a difficult challenge: how to keep the stimulus focused on short-term deficit spending and avoid a huge, long-term expansion of the federal government—and with it a dramatic increase in the staggeringly large unfunded obligations due mainly to Social Security, Medicare, and Medicaid. To deal with that challenge, Obama should work with fiscally responsible Members of Congress to include four key budget reforms in any stimulus legislation:

1. Put long-term obligations from Social Security, Medicare, and Medicaid front and center in the budget process;
2. Establish a bipartisan congressional commission to develop a package of long-term reforms for entitlements;
3. Establish equitable policies for assessing and enforcing spending and revenues changes in the budget; and
4. Create a long-term budget for entitlement spending.

Spending and Deficits Hit New Records. Federal spending is projected to top 25 percent of GDP in 2009, according to the Congressional Budget Office (CBE), the highest it has been since World War II, and that is before any stimulus legislation. The deficit is projected to reach $1.2 trillion by the end of this year, and any stimulus would likely push the deficit to more than $1.6 trillion.

Similar large deficits are projected to continue into the future.[2] Such deficits are a loud alarm to which policymakers must listen: Federal spending is out of control. But even they ignore the deeper fiscal problems of Social Security and Medicare. These programs together, not even counting Medicaid, have an unfunded obligation that is equivalent to a mortgage of $43 trillion.[3] Future generations will be forced to pay for those obligations through higher taxes unless the programs are modernized.

Budget Restraint. While making the case for his massive short-term stimulus proposal. President-elect Obama acknowledged the threat entitlements pose to the economy, noting, ''If we do nothing, then we will continue to see red ink as far as the eye can see.'' He called budget reform ''an absolute necessity,'' and he has pledged to confront the problems from Social Security and Medicare in his budget.

Budget writers in Congress are also alarmed. Senate Budget Committee Chairman Kent Conrad (D–ND), called the deficit