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Senate

The Senate was not in session today. Its next meeting will be held on Monday, September 13, 2010, at 2:30 p.m.

House of Representatives

TUESDAY, AUGUST 10, 2010

The House met at 9 a.m. and was called to order by the Speaker.

MORNING-HOUR DEBATE

The SPEAKER. 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 25 minutes and each Member, other than the majority and minority leaders and the minority whip, limited to 5 minutes each, but in no event shall debate continue beyond 9:50 a.m.

SUCCESSFUL GOVERNMENT INTERVENTION

The SPEAKER. The Chair recognizes the gentleman from Virginia (Mr. CONNOLLY) for 5 minutes.

Mr. CONNOLLY of Virginia. Madam Speaker, according to independent economists, the action of this Congress pulled the economy back from the brink of falling into another Great Depression.

I hope my colleagues have had a chance to review the recently released study by former Federal Reserve Vice Chairman Alan Blinder and Mark Zandi, Moody's Analytics chief economist and former economic adviser to John McCain's 2008 presidential campaign.

We have heard some from the other side of the aisle demagogue on the value of the Recovery Act and other actions we took to stabilize this economy. Republicans loudly claim these programs were failures. But what do the actual economists say? From the study, I quote. ''There is little doubt that, in total, the policy response was highly effective.''

Madam Speaker, after careful analysis, the study's bipartisan authors conclude that the Nation's gross domestic product would have been 11.5 percent lower than it is today without government intervention. They conclude that an additional 8.5 million working Americans would have lost their jobs.

When this Congress took office in January of 2009, we were facing an economy in freefall with the second Great Depression in clear sight. We were in the midst of a deepening recession, the worst in 80 years. Increasing monthly job losses had peaked in January of that year at 741,000; housing prices were mired in 22 straight months of decline; foreclosures dramatically increased. The economy's contraction was worsening as gross domestic products shrank at an increasing rate each quarter. Bank failures accelerated, threatening family savings. All combined, Americans lost $17.5 trillion in net worth because of the Bush recession. And in the midst of this economic maelstrom, in the face of the united opposition from the minority, we took action, immediate action, and passed the Recovery Act to stabilize the economy, protect teachers, firefighters, police officers, boosted the private sector payrolls, invested in America, and spurred growth.

According to the experts from both sides of the aisle, it worked. Again quoting from the study, ''The effects of the fiscal stimulus alone appear substantial.'' Madam Speaker, they found that the Recovery Act raised GDP by 3.4 percent, reduced the unemployment rate by 1.5 percent below where it otherwise would have been, and, most importantly, added or protected 2.7 million American jobs.

The proof is in more than just the study. Look at the GDP. Before we passed the Recovery Act, GDP was declining for the third straight quarter, including a 2.7 percent drop in the third quarter of 2008, a 5.4 percent drop in the fourth quarter, and an astonishing 6.4 percent decline in the first quarter of 2009 when we came into office. The Recovery Act slammed the brakes on that freefall. The very next quarter, GDP posted only a 0.7 percent decline, quickly followed by four straight quarters of GDP growth.

The Recovery Act also stemmed the ever increasing monthly job losses. It is no coincidence that the job losses peaked just before we acted and then immediately began to drop.

Currently, we are in our seventh straight month of private sector job growth, with 600,000 net private sector jobs created this year alone. The manufacturing sector continues to expand in fact to its highest levels. American automobile sales, initially spurred by the successful Cash for Clunkers program, continue to improve. The stock market, which plummeted throughout

2008 and hit rock bottom in the first quarter of 2009, has rebounded since, increasing more than 60 percent. In fact, we have recovered $6 trillion of the $17.5 trillion lost by American families.

Madam Speaker, the Blinder and Zandi study illustrates our intervention and investments through the Recovery and Reinvestment Act saved the U.S. economy from the second Great Depression. But, as the recent study demonstrated, we averted the worst outcome, but we still have work to do.

Make no mistake. Despite the fragile economy, our economy is growing again, and that growth is the direct result of the actions of this Congress to save American taxpayers and to save this economy.

RECOGNIZING ALFALIT INTERNATIONAL AND DR. PHILLIP FROST

The SPEAKER pro tempore (Mr. TONKO). Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, I rise today to recognize the extraordinary efforts and continuing success of Alfalit International in the fight against global illiteracy.

Founded in 1961 and headquartered in my hometown in Miami, Florida, Alfalit International has helped over 7 million adults and children learn to read and write. Currently, Alfalit serves people in 25 different countries around the world, with literacy programs in English, Spanish, Portuguese, and Creole.

The basic ability to read and write is the gateway to education and training, to higher earnings, and to a more productive life. With Alfalit's help, millions of people in countries worldwide are able to break the cycle of poverty, make better lives for themselves and their children, and play a larger role in their local and regional economies.

Moreover, basic literacy skills also help people to better understand the rights they have and the rights that they have been denied, and it empowers people to participate in the local and national political process.

Alfalit's approach involves teaching the basic skills and education that people need to become independent and productive members of societies.

Alfalit's approach is an efficient and cost-effective method that needs only $60 and 10 months to teach a completely illiterate adult to read and write at a fourth-grade level. I am certain that much of the reason for this low-cost approach to basic education lies in the fact that the majority of Alfalit teachers are compassionate and supportive volunteers.

As a former educator and Florida certified teacher, I recognize the difficulties that Alfalit faces in helping those most in need. I commend its many volunteers, and encourage them to continue with their badly needed efforts.

Alfalit's tremendous success over the past 50 years is a great inspiration, and I hope to hear more about its great work in the future. I wish them also much success to Alfalit for its upcoming dinner in Miami, Florida.

Mr. Speaker, I would also like to spotlight the contributions of Dr. Phillip Frost to our South Florida community. A physician, a businessman, a philanthropist, Phillip Frost has been a long-time supporter of the arts and education. His work with the Smithsonian Institute has helped keep the institution vibrant and growing.

Phillip's passion for music led him to make generous contributions to the University of Miami's school of music and to the Florida International University art museum.

His philanthropy has helped fund much needed medical research. As a trustee at the Scripps Research Institute, he has helped one of the world's largest independent, nonprofit biomedical research organizations. Phillip Frost's lasting legacy will certainly be to inspire others to match his selflessness and generosity.

Thank you, Dr. Frost, for your service and for your humanitarian outreach. You are an inspiration and an example to our entire community. Much success for your upcoming event for the American Friends of the Hebrew University in Miami, Florida.

EDUCATION FUNDING

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

Mr. DEFAZIO. Mr. Speaker, there are many in this chamber who say, and I am among them, that we must be careful with running up the deficit and the debt because we are borrowing from the future. Dollars we borrow today will be paid back by our kids and our grandkids over the next 30 years. In fact, that is why I voted against the so-called stimulus bill. I felt it borrowed too much and invested too little in the future. It cut way back on the transportation infrastructure investments in favor of tax cuts. Borrowing money for tax cuts doesn't make sense. There is no benefit to be passed on to the future generation, and it certainly didn't put people back to work.

So as we approach the bill today, we have to keep that in mind: Are we borrowing from the future? And, will this provide benefits to people in the future?

The bill before us today would fund education. In my State, we are headed toward having the shortest school year in America. We are stealing from our future. We are stealing from our kids. If they don't get those school days this year, they can't make them up next year or after they have graduated. We are shorting them for the rest of their lives on a good education. We are going to have some of the largest class sizes in America. You can't teach a class of 38 or 40 kids in middle school. It isn't a good educational experience. We are stealing from their future.

I am hoping today that the funds we will vote for will be used by my State to plug the holes this year. I don't want to see them sitting on that money and saying, ''Oh, well, maybe things will be worse next year and we will avoid future cuts.'' No. The cuts are today. They are hurting kids today. They need to plug those holes today, put teachers back to work, lower the class size, get the school years back up to a reasonable length.

There are other cuts that can be taken care of by this vote again today. In my State, we are cutting back on State police even though we have one of the lowest ratios of policing in the United States of America. We have an epidemic of people in our rural areas who do not have adequate law enforcement and are being plagued by crime and drug dealing and other things. We need more State police on the roads.

Our seniors need to be maintained in their homes, Oregon Project Independence. Our community colleges are cutting back at the same time when they are seeing record enrollment from people who are trying to get a job in a bad economy. Those holes can be plugged today. But are we borrowing from the future with this legislation? Well, no. Actually, for once, we are paying for it.

Now, we are going to hear a lot of whining on the Republican side of the aisle about, oh, this is bad and this is more just borrow and spend. No. What they are really going to be whining about is the fact that we are closing some very juicy foreign tax loopholes for U.S. corporations. We have little things that are called the hopscotch of deemed dividends. We have the Cayman Islands, Bermuda. Sound familiar? And we have daisy chain investment overseas so they can avoid U.S. taxes. When we built the greatest Nation on earth, corporations paid 40 percent of the taxes in this country; today, they pay 7 percent because of loopholes like this. This bill will close the loopholes.

Now, the Republicans will gnash their teeth over that because there has never been a loophole too good for them. They want more loopholes. And they should like this part, and I have some doubts about this, but it is going to reduce food stamp benefits in the future by $12 billion. Now, they always carry on about welfare and welfare cheats. I have got a lot of people dependent upon food stamps who were formerly hard working in my district and my State. But the balance here of essential public services, of a decent education for the future, and those cuts, I can accept. And getting rid of the corporate loopholes, I am with that every day of the week. The Republicans are for loopholes. We are against them. We are for education, we are for kids, we are for vital public services. They are not.