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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

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.



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