



# COMMITTEE ON APPROPRIATIONS

DAVE OBEY (D-WI), CHAIRMAN

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## Obey Statement: American Recovery and Reinvestment Act

WASHINGTON – Today Dave Obey, Chairman of the House Appropriations Committee, delivered the following statement during debate of the American Recovery and Reinvestment Act. The bill passed on a vote of 246 to 183.

“Mr. Speaker, this country faces the greatest crisis that we've seen in terms of our economy since the 1930's. Unemployment is expected by many people to hit 12%. We're told if we do nothing, we're likely to see unemployment at least around 12% and we hope that with the passage of this proposal, we can mitigate that disaster to a significant degree.”

“Why are we in this trouble? Because we have had a virtual collapse and freeze up of the financial system and the credit markets. We have had a collapse of the housing sector in the economy and the auto sector of the economy. In normal circumstances, in a normal recession, we are usually led out of that recession by housing and by automobiles. This time, those two sectors are in a shambles and not going to lead us out of anything for the moment. The other tool normally available to us is monetary policy in the form of low interest rates through action of the Federal Reserve. We've already fired that bullet.”

“The only bullet left is fiscal policy. And what we are trying to do with this bill is to save and create several million jobs. We're trying to help the victims of the recession who are losing their jobs, losing their healthcare, losing their pensions, losing their ability to send their kids to college and at the same time, we're trying to invest in new portions of the economy through science, technology, new energy initiatives to try to modernize the economy and make it stronger as we come out of this recession as we most certainly eventually will. We are also, despite the objections of some in the minority, trying to put a quite significant amount of money into the health care system.”

“What on earth is wrong with trying to save money in the health care system and at the same time making it more efficient by transferring our medical records to computerized records to reduce errors and to save money at the same time?”

“Guess what? This bill isn't perfect. Guess what? I've never seen a perfect bill produced by this or any other legislative body.”

“The worst thing that people can do in this town is to believe their own baloney. And I think what the likelihood is on this bill is that supporters of the bill are inclined to overstate its possibilities and opponents, as we see here today, are certainly inclined to trash it. I was criticized in the Rules Committee last night, and again on the Floor today, because I frankly said I do not know how many jobs this bill is likely to produce. What I do know is that the consensus of economists around the country is that this bill will save or create several million jobs. Exactly how many will be determined by history.”

“Now, the critics say a number of things. They say the bill is too big. And then they announce they are going to produce a recommit motion which adds \$9 billion to the costs. That's what I call falling off both sides of the

horse at the same time. I would suggest that this bill is big all right. But I'll make you a deal. You show me a smaller problem that we have to confront and I will be happy to produce a smaller bill.”

“The fact is that we face, over the next 2 1/2 years, a hole in the economy approaching \$3 trillion. This is a \$800 billion package over 2 1/2 years. That means the annual fiscal thrust is about \$300 billion. I personally think that it is smaller than it needs to be, but it has been downsized since it left the House to some degree in order to pick up support in the Senate, and I understand that.”

“The critics have another technique. They trash by trivializing. They follow the guidelines laid out by one of the members of their leadership a few months ago when he said that the way they ought to deal with the Democratic majority is to behave like a thousand mosquitoes, inflicting bites and tormenting the majority.”

“And what do they say?”

“They tell us there is an earmark for high-speed rail. The fact is, there is not. All of the funding in that account is discretionary and will be awarded competitively and the decisions will be made entirely by the department of transportation. And the last time I looked, the new cabinet secretary was a Republican.”

“Secondly, they tell us that we're spending more money on the arts than we are on small business. We're putting \$750 million -- yes, \$750 million -- in this bill for the Small Business Administration. There's \$50 million in here for the arts. And you know what? There are five million people who work in the arts industry. And right now they have 12.5% unemployment - or are you suggesting that somehow if you work in that field, it isn't real when you lose your job, your mortgage or your health insurance? We're trying to treat people who work in the arts the same way as anybody else.”

“And then they tell us there are mice, except when they say there are rats. Well, I would urge you to read the *Mercury News*, because they point out that is a fallacious attack. They say we are spending \$30 million on mice. Where did the \$30 million figure come from? According to the *Mercury News* and I'll read this, ‘It's the total amount that the California state agency recommended more than a month ago to numerous federal agencies listing shovel-ready projects as part of the stimulus bill planning. And the staff for the minority leader himself told the press that he had to admit there was no specific reference to any mice or rats in this bill.’”

“There is one place in this budget, however, where you do have mice. It's at N.I.H. One of the members of this House told me today, ‘I'd be happy to talk about mice, because research projects at N.I.H. saved my life.’ Cancer research. The research is done on mice. Would you rather have the experimentation done on human beings? I don't think so.”

“If you look at what this bill does, it provides \$800 tax break for Middle American couples. It provides \$120 billion in infrastructure to create hundreds of thousands of jobs. It shows some mercy to people who are unemployed by extending and expanding unemployment benefits. It tries to modernize the economy to create new jobs through science and technology. It provides \$170 billion to help states avoid catastrophic tax increases that will be counterproductive during this kind of a recession and it also helps them to avoid drastic cutbacks in education and in law enforcement so that they don't have to fire cops, they don't have to fire teachers, they don't have to fire prison guards and all of the other people who are paid for out of state budgets.”

“Those are some of the terrible things this bill does.”

“Now, this bill does have one problem. It is estimated that it creates about one million fewer jobs than it did when it left the House earlier.”

“It does that in an effort to be bipartisan, because the President had reached out to try to get Republican support in the Senate. And he makes no apology for that, and neither do I.

But the fact remains, we still have 86% of the House bill that we had when the bill left the House. That's a pretty doggone good ratio.”

“I think we need to appreciate that the bill is the largest change in domestic policy since the 1930's. Think of what has happened. One month ago we had a President who insisted on holding up the entire domestic appropriation part of the budget because he wanted to impose \$30 billion in cuts in education, in health care, science and the rest. In contrast, today we have a President who is willing to invest \$800 billion to attack this recession and to turn this economy into a stronger and better economy for every American, not just the top 10% who've been benefited by Republican policies.”

“One month ago we had a president who resisted raising the minimum wage and resisted providing unemployment insurance. Today, we have a President that's reversing that policy and says go to it, help those people, they need it. And we also have a President who is willing to put \$90 billion into states to preserve our society's ability to see to it that poor families and kids don't get knocked off the Medicaid rolls.”

“One month ago, we had a President who asked us to pass No Child Left Behind and then, for the next eight years, reneged on the promise to provide additional funding to pay for the cost of those mandates. We had a vote today on the issue of mandates. The mother of all mandates has been No Child Left Behind, which I voted for, but I expected the President not to welsh on the deal and financially he did. This changes that. This reverses that policy.”

“I would ask members to vote for this bill. It will change this country for the better.”

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