



STATEMENT IN OPPOSITION TO H.R. 1, THE AMERICAN RECOVERY
AND REVITALIZATION ACT

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IN THE HOUSE OF REPRESENTATIVES

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MR. KANJORSKI. Madam Speaker, I rise today to offer my thoughts about H.R. 1, the American Recovery and Revitalization Act.

I regret that I cannot support the legislation in its current form. While I absolutely agree that we must stimulate our economy to help it recover from its troubled state, I am concerned that this bill does not represent an effective plan to ensure our economic recovery.

We face the most challenging economic crisis since the Great Depression, yet this bill merely throws money at the problem by expanding existing programs. We have not taken the time to fully understand the nature and the full scope of the collapse of our economy, and so we have not taken the time to understand how to target the problems with innovative solutions. While I recognize the urgency of the situation, we would do better to follow the advice of an old civil engineer friend of mine who often cautioned that to do a job correctly, it is better to go slow in the planning to allow you to go fast in the implementation.

Just one example of the difficulty we will have in getting this money spent well was described in today's *Washington Post*, which quoted a state energy office director lamenting how he was going to have to figure out how to spend 35 times as much money as he normally gets in a year, using new funds allocated in this stimulus. Pennsylvania's own transportation department has indicated that its "shovel-ready" projects are not so ready that they can be started within the ninety days sought by Transportation Chairman Oberstar, who rightfully is seeking to expedite these funds to get spent as quickly as possible. Having dealt with publicly-financed projects for more than forty years, I can assure you that numerous federal, state and local regulations will provide numerous obstacles to getting this money spent both quickly and wisely. I sought to offer an amendment which would

have allowed a waiver of many of these restrictions because – to the best of my knowledge – there is no provision in this bill to allow federal administrators to waive regulations under these extraordinary circumstances.

My Republican colleagues raise a reasonable objection that they were not fully included as the framework of this legislation was constructed. Perhaps I am one of the few Democrats who will acknowledge publicly that most Democrats were also not included. This is wrong. When undertaking the most significant and certainly most expensive program of my Congressional career and maybe in our nation's history, it is vitally important that all Members of Congress first understand the problem we are addressing and then fully participate in determining how best to solve that problem. It has been my experience that the most successful policies are those which many minds have constructed.

In addition to Members of Congress fully understanding what we are trying to do and why, it is vitally important in a representative democracy for the American people to understand both the problem and the proposed solution. We rushed through the so-called TARP program without educating the American people, and they are convinced it was a bailout of Wall Street. I helped to draft the TARP program and voted for it because I believed that it was absolutely essential that we act immediately, despite the suspicions voiced by my constituents. The need for an economic stimulus is indeed urgent, but it is not so much of an emergency that we cannot afford to take the time to think so that we can do it right.

No piece of legislation is ever perfect; I recognize that compromise is always necessary to reflect the diverse interests of a country as heterogeneous as ours. Had we reached this bill through a more orderly, bipartisan basis, I very well may have cast my vote for it. I still hope that the Senate will make enough necessary corrections that I will be able to support a final version. Let me now highlight my substantive objections to this bill.

First, infrastructure projects were an initial focus of a recovery package, but that focus has dwindled to just \$90 billion out of an \$825 billion bill. For every \$1 billion we spend in infrastructure, we create upwards of 30,000 jobs. It seems to me that this is a proven method of creating jobs and additional funds should be put towards this area of spending.

In addition, from my perspective, we need to focus more on helping those who are unemployed or retired. While many people are struggling, we must help those without jobs feed their families immediately. One of the major tax provisions of this bill is the \$500 tax credit for individuals and \$1,000 for couples. While this tax credit may provide relief to working families, it will not help individuals who are unemployed since the credit will be provided through a reduction in payroll taxes for workers.

Moreover, I am concerned about the disproportionate impact this bill will have. Without doubt, much of the funding will go to large urban areas, while areas like my Congressional District which are more rural, will receive much less funding, even though our unemployment rate is higher than the national average. Residents of my Congressional district are struggling just as much as those living in urban areas.

Finally, a recovery bill should include funding for localities. Many counties, cities and municipalities across the country are facing significant funding shortfalls as a result of the ongoing economic downturn. These budget shortfalls have resulted in local officials having to make difficult decisions about cutting jobs, reducing services, or raising taxes on their citizens.

That is why I offered an amendment to H.R. 1 to reinstate a General Revenue Sharing program. More than 30 years ago, as our country experienced another period of prolonged economic stress, we put in place a General Revenue Sharing grant program. Between 1972 and 1986, \$83 billion was transferred from the federal government under this program. This funding provided localities with a needed source of revenue for undertaking job-creating infrastructure projects and maintaining public safety networks. I am disappointed that this amendment was not allowed under the rule.

In closing, I support a recovery package that creates jobs and builds our infrastructure. Americans and our economy are struggling and we must act to help them. But, I strongly believe that we can make improvements to this bill so it will be as effective and efficient as possible in restoring our economy and helping Americans.

Madam Speaker, I appreciate the opportunity to share my thoughts and yield back the balance of my time.
