

THE AGONY OF THE CENTRAL VALLEY

The SPEAKER pro tempore (Mrs. DAHLKEMPER). Under a previous order of the House, the gentleman from California (Mr. MCCLINTOCK) is recognized for 5 minutes.

Mr. MCCLINTOCK. Madam Speaker, for many months, the Republicans on the Water and Power Subcommittee of the Natural Resources Committee have implored the majority Democrats to hold a hearing in the Central Valley of California to see and hear for themselves the damage that the Federal Government has caused by diverting 200 billion gallons of water from Central Valley farms in order to indulge the environmental left's pet cause, the delta smelt.

After our pleas were met with continued stonewalling, we decided to hold a forum under our own auspices and to invite all members of the California congressional delegation, all members of the Natural Resources Committee and representatives of the Obama administration to come to Fresno to see firsthand what these policies have wrought.

Instead, after we had announced the forum, the Water and Power Subcommittee chairwoman decided to meet on the same day in southern California to extol the virtues of water conservation. Congress has thus made clear its intention to sacrifice the people of the San Joaquin Valley upon the altar of environmental extremism.

Despite heavy rains over the past month, the administration continues to blame a relatively mild drought for the fact that Valley farmers will receive only 5 percent of the water that they are entitled to. This does not explain how, in far more severe droughts than this, Valley farmers have received far greater allocations. Nor does it explain how these massive water diversions can be justified to support the delta smelt if indeed supplies were constrained.

Had the Democrats in the subcommittee come to Fresno, they would have heard and seen the anguish of the people of the Central Valley of California. These water diversions have destroyed a half-million acres of the most productive farmland in America, and they have thrown 30,000 Central Valley farm families into unemployment.

They would have heard the stories of food lines in communities that once prided themselves on being the breadbasket of the Western United States. They would have heard about the frustration of seeing produce imported from China being handed out in these food lines to the very same American farmers who once supplied the very same produce to the entire world.

And they would have seen the anger as the absent Interior Secretary's testimony to the Natural Resources Committee last year was played back, in which Mr. SALAZAR admitted that the Obama administration has the author-

ity to turn the pumps back on, but that it chooses not to do so because that would be "like admitting failure."

There is some good news. This afternoon, the day after our forum in Fresno, the Interior Secretary relented to the extent of releasing 350,000 to 400,000 acre-feet of already allocated water to the Central Valley. Having demonstrated his authority to release the water that Central Valley farmers already own, he now needs to follow through and release the water that is being held hostage to the delta smelt.

Meanwhile, Mr. NUNES of California has introduced H.R. 3105, the Turn on the Pumps Act, which does exactly the same thing that Congress did under far less severe circumstances several years ago for the farmers of New Mexico. Mr. NUNES has filed a discharge petition to bypass that subcommittee and bring the bill directly to the House for a vote. It needs 218 signatures. So far, it has 105, 104 Republicans and one Democrat.

Madam Speaker, I assure you that it is not only the Central Valley that is suffering. The willful destruction of 500,000 acres of American farmland by these massive water diversions, all for the enjoyment and amusement of the 3-inch long delta smelt, is reflected in the rising prices for produce that families are feeling far beyond the congressionally created dust bowl of California's Central Valley.

Nor is the delta smelt doing any better. Despite these massive water diversions, the delta smelt population fell back to the historic low in 2005 and is now well below the high points recorded in the late 1970s. Given these findings, how can anybody argue that the delta pumping restrictions are benefiting the delta smelt?

Madam Speaker, I promised to carry the plea from the many Americans who poured out their hearts to us in Fresno on Monday for Congress to come to the Central Valley and see what their policies have caused. I place their invitation before you.

REBUILDING THE ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Virginia (Mr. PERRIELLO) is recognized for 60 minutes as the designee of the majority leader.

Mr. PERRIELLO. Madam Speaker, I rise today as one of many freshmen who will be speaking during this hour because a little over a year ago, we came in on a wave of change. Many of us came into politics for the first time, certainly to the Federal Government for the first time, because we believed this country needed a new kind of politics, not just a politics of right or left, but a politics of right and wrong. For too long, both parties had failed to rise to the challenges of our time. Energy independence, redefining our competitive advantage—there were so many challenges to take on. And a year later, we are not satisfied.

Tomorrow night, the President of the United States will come and join us here in this body to speak and give us a report on the state of the Nation. Well, the Nation is in pain. Working and middle class families are in pain, and we haven't done nearly enough to show people the results of standing up for the working and middle class.

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There are many things that the change was about, but certainly at the heart of it was a desire for a new era of accountability, accountability for the private sector, accountability for government, and even accountability for consumers and bad decisions that had been made.

But most importantly to this was a need to shift our economic policies from speculation on Wall Street to job creation on Main Street. Changing the name plate on the door from Hank Paulson to Tim Geithner does not represent a change of economic policy. We need to understand what it will take to have actual economic accountability and job growth in this country.

We believe in this House, the people's House, we have taken dramatic steps to put working class and middle class people ahead of the most powerful among us. But the pain continues. In my district over the last 5 years we have seen people's utility rates go up 93 percent by Appalachian Power and others. We get calls every day, 20 percent increases in their health insurance premiums, bank fees, credit card fees, Comcast fees, all going through the roof while the working and middle class pay the price.

We have taken steps here to stand up and say someone is going to stand up for Main Street, demand that accountability and that economic relief that we thought was part of the change. We hope tomorrow night to hear more about your willingness to lead in these areas.

But we also must switch this focus to Main Street because we are in a jobs crisis. We need a wartime-like mentality of how serious this job crisis is. And we took dramatic efforts a year ago that have helped to stop the bleeding, to help turn from some of the most dramatic job losses in American history, certainly modern American history, to stopping that bleeding so that we could begin the recovery. But we know much more needs to be done. We are not satisfied.

I hear time and time again the banks are still not lending. If we need to do direct lending, if we need to do more to get the lending going to small and medium-sized businesses, we have to understand that in America's economy today two-thirds of job creation comes from small- and medium-sized business. They may not have the political power and control over both parties in this town, but small- and medium-sized businesses create that job growth. We need to get job creation on Main Street

through direct lending. We also need to see the kind of investment in our infrastructure not only because it puts people to work today, but because it rebuilds America's competitive advantage.

The hardworking, proud people of my district would rather collect a paycheck for building something than an unemployment check for sitting home. People want to work. They don't want those holes in their resume. And we know we are being outcompeted. So this is a jobs crisis. But it also goes to the heart of restoring the capitalistic innovation in this country.

We saw a policy under the last administration of rewarding failure with bailouts. Many of us wanted a change in that policy. We are not satisfied with what we have seen. We cannot have the strength of our private sector when we continue to reward failure instead of innovation. The people's House has taken bold moves to ensure the kind of accountability that will restore the very heart of our capitalism.

We know that the other side put in place many of the policies that created this problem, but it is not enough to point the finger. Let us be judged not by what the other side did to get us here, but by what we did to get us out of this economic mess. Many of us came here, we are working a double shift every day and will not rest until we see the kind of job creation and rewards for innovation that the American people deserve. That is why many of us came here. And we are not satisfied. We want to continue being that change, demanding that kind of shift from speculation on Wall Street to job creation on Main Street.

With that, I yield to the gentleman from Ohio.

Mr. DRIEHAUS. I would thank, Madam Chair, the gentleman from Virginia for leading this hour on our recovery. We talk so much about the job loss that has been created by this Great Recession. But far too often we don't discuss the causes of that job loss, and we don't discuss the direction we are heading in. And so I think it is important to remind the viewers and remind all Americans just where we are.

I was at a luncheon today in Cincinnati, Ohio, with Johnson Investment Counsel. They refer to this as the Great Recession. And they refer to it as the Great Recession because it is the most significant recession that has taken place since the 1930s in the United States.

This recession has lasted for 18 months, longer than any other recession since the Great Depression. This recession has caused a loss of 3.8 percent of the gross domestic product here in the United States, a greater loss than any recession since the Great Depression. This recession has caused the loss of 7.2 million jobs. 7.2 million jobs. The greatest job loss since the Great Depression.

But I think it is important to understand when this recession started. This

recession started in 2007, under the policies of the Bush administration. And I know the other side doesn't like us to go back. They want to believe that the world began, that this recession began, in January of 2009. But the facts just don't bear that out.

So I brought this chart. And I brought this chart to explain the job loss that has occurred during this recession. And you can see that in the last 3 months of the Bush administration, this economy lost nearly 2 million jobs. In the last 3 months of the Bush administration alone. As a matter of fact, it is after President Obama took the oath of office that we started turning things around. We are still losing jobs. And I think we all hope that next quarter we will turn this around and see positive growth. We saw growth last quarter. But we are heading in the right direction. And that is the important thing.

Also at the luncheon today, I was struck by the analysis given. And I will just mention the first few points. First of all, the Great Recession is over. The recovery has begun. And I think this is important. Near-term growth has been bolstered by the stimulus and inventory building. There is no question in the minds of economists around the country that the stimulus is working.

I would point you, Mr. PERRIELLO, to just one comment made in the Cincinnati Enquirer this week. It was by the Realtors of Cincinnati. And the Realtors of Cincinnati were praising the stimulus. The headline reads this: "Realtors, Builders Laud Tax Credit." They are praising the tax credit that we passed as a part of the stimulus. Because oftentimes when we talk about the stimulus, this \$800 billion package, we forget that \$300 billion of it was tax credits. It was tax credits and tax breaks for moderate-income families. And an important credit was to stimulate first-time homebuyers and to help people get back in the housing market. We have achieved that. Realtors understand that, people around the country understand it, because homes are starting to sell. And it is thanks to the efforts of this Democratic Caucus.

Mr. PERRIELLO. Let me yield to the gentleman from California.

Mr. GARAMENDI. Thank you.

Madam Speaker, it is a great honor to be here with the other freshmen. We are new to this system, but we are not new to the problems in our districts or in our Nation. We often go home on weekends to spend time in our districts. And what I have found in the district that I represent and the East Bay of California is a lot of pain, a lot of people that are suffering, but are filled with hope with the possibility that things are indeed turning around.

I met a carpenter 2 weekends ago. He is a member of the carpenters union, and he had been out of work for about 8 months. The housing industry had literally shut down, and he had been thrown aside. And he said to me, "Why can't those bankers make loans to my

company? Why can't they do that? They have been given hundreds of billions of dollars, and yet they cannot make a loan." One of the things that we have been working on here is to force those bankers to make loans, to use our tax money not for the great bonuses that they are giving themselves this month, but rather to use that tax money to put people to work with loans to this home construction company that this carpenter was once employed by.

Another person that I met in the City of Antioch about 8 months ago was protesting the fact that the loan modification program that had been put through was stalled once again by the bankers. We all know the statistics. A lot of talk, but very few loan modifications. This person had worked as a painter painting houses, had two jobs to support their family, and yet was unable to continue their mortgage when the Great Recession began.

A third person just this last weekend was a heavy equipment operator at a groundbreaking ceremony for the Caldecott Tunnel in Contra Costa County. The heavy equipment operator said, "Thank God the stimulus is working for me." In that project alone, over a \$300 million project, the State of California was unable to pay its share because of the downturn in the California economy. So it was the action of my colleagues here, the freshman class plus the other Democrats in this House that voted to pass the stimulus bill, and \$197 million of direct stimulus money went into that project, and 6,000 men and women will be employed, and a major commuting backlog will cease.

It is working. The statistics we saw just a moment ago clearly show that with the new administration coming into place, with the stimulus money that was put in place last January, the first vote, supported unanimously by our caucus and opposed unanimously by the other side, that is working. The statistics are clear. We are seeing job declines slowing down, and we will soon see it turn around.

Tomorrow the President will be here speaking to all of us about what we need to do in the months ahead. We need that Jobs for Main Street bill that passed here in December. Get it out there, get it passed, get people to work. We also need to make sure that Wall Street is properly disciplined. If they are going to get those big fat bonuses using our tax money, then we ought to tax those bonuses and put that money back to work with small businesses.

We can do these things. And much has been done. We have seen the turnaround. We have seen the statistics showing that we are on the right track. We will continue that. And for all of us, we have a choice. We can do nothing, and people will be on welfare, people will get the unemployment checks, people will lose their insurance, and we will try to keep them going with COBRA support. Or we can do the jobs

program, the stimulus programs, the Jobs for Main Street program. And in doing that, we will put people to work. They will not be tax takers, they will become taxpayers.

I yield my time.

Mr. PERRIELLO. Thank you very much.

I think it is important to remember we have got to rebuild jobs in this country that are between \$6 an hour and six figures. There still has to be a middle class, a working class in this country. We have to respect those jobs, remember that we have lost jobs in construction, we have lost jobs in places where people want to go back to work.

The jobs bill we passed here was a good start. We need to be bold in our willingness to both put people to work and recreate our competitive advantage. Even before the Great Recession, even before some of the horrible fiscal decisions of the last administration we had been getting outcompeted around the world. We have got to make the investments in our infrastructure, in our small-and medium-sized businesses, and education and workforce development so that we can outcompete any country.

We are more innovative than any country on earth. We will continue to do that. But we cannot do it when we have a corporate capture of this body that means we reward failure instead of rewarding innovation. That must be the key.

With that, I yield to the gentleman from Vermont.

Mr. WELCH. I thank my colleagues, and appreciate the opportunity to participate with you in the freshman hour.

I want to speak about two things. One is how do we get lending going for small businesses. And two, what is a practical thing we can do to create 600,000 to 850,000 jobs. You have recited very well how we got here, why we needed the stimulus. But on lending, let's address that. What happened? Wall Street went on strike. After they made record profits and record bonuses by making record bets with taxpayer money, they put a gun to the head of the American economy and lost billions and billions of dollars. And it was so threatening to the American economy.

Henry Paulson, then the Treasury Secretary under a conservative President, George Bush, came to Congress hat in hand, acknowledged that he was embarrassed, and asked for a \$750 billion bailout.

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Now, I was on that conference call with Mr. PAULSON, and many of us were shocked that this former Goldman Sachs head was acknowledging failure but saying, If you don't help us out on the bets we made, we will have an implosion that will have collateral consequences that are absolutely catastrophic for Main Street.

Congress gave him the money, but it was after an assurance on his part that

Wall Street had learned its ways and they wouldn't do the same thing. It is 15 months later, and what has happened? Wall Street is back to its old ways. In this past year, Wall Street has made so much money that they have set aside a bonus pool of \$140 billion to \$160 billion.

Now, how did they make that money? They had the TARP money, the taxpayer bailout money, number one. Number two, they had zero interest rate money from the Federal open window, and they did what they did before to get us there: they went and started trading in currencies, derivatives, and commodities.

Now, with those profits they had three options. One, they could have lent that money out to our small businesses. And they need it. By the way, I have a lot of folks in Vermont, I am sure this is true in California, saying, If they are making so much money, how come they won't give me a loan?

Number two, they could have added it to their bottom line to have a stronger balance sheet in the event of a downturn later. Or, three, they could have put it in their pocket. And that is what they did. Fifteen months after they stuck a gun to the head of the American economy, they went back to their old ways and made a ton of money. They are very good at what they do. But what they do is not good for America, it is not good for building an economy and sustainable jobs, and they are going to rake that in.

So we have legislation, many of us are on it, that would say to Wall Street: look, if you are not going to lend that money out, we are going to tax those bonuses. Anything above \$50,000, we are going to tax at 50 percent, and we are going to put it into lending for small businesses.

Second, we can create 600,000 to 850,000 jobs by engaging in energy home retrofit programs. In every single community, we have got carpenters, plumbers, masons, electricians out of work because we have got a stagnant home industry. But we have got homeowners who need to save money and need a little help doing it.

If we put \$20 billion into that, we can create 600,000 to 850,000 jobs, all local. We can use materials that have to be made in the United States. Ninety percent of all the retrofit materials are manufactured right here. We can save \$3.3 billion for homeowners by lowering their energy bills. And we can take 3 million cars, the equivalent of 3 million cars, off the road. These are the things we can do, get lending going, and get jobs created. Thank you.

Mr. PERRIELLO. One thing I just want to add on that before I move to the gentleman from Colorado is to say anyone who has run a business or a household knows the difference between an expenditure and an investment. Going out to the movies is different than investing in a solar panel or retrofitting your home.

Now is the time where we need to be investing. We can do that through

some of the retrofitting of both our commercial and residential stock. We can do that by investing in our workforce development and by getting that lending, again, to small and medium-sized business.

There has been a thought among some of the elites in this country that we can continue to prosper without building anything, without growing anything. At some point, we have to be creating value in the system. Our financial sector is extremely important, and it will be strong if there are good rules in place that allow for predictability.

But we also must remember the industrial and agricultural sectors. These are not things of a bygone past, though sometimes in this city and on Wall Street that is forgotten. These remain major drivers of economic growth, major drivers of employment; and we must have an economic development strategy in addition to a financial sector strategy.

Some of the things that continue to change and set us back, I believe the gentleman from Colorado wants to address, are not just in this building but perhaps across the street. With that, I yield.

Mr. POLIS. I thank the gentleman from Virginia.

Following on the gentleman from Vermont, as well as the gentleman from Ohio, taking us back to where we were before I was in this body, my colleague from Vermont was here, when President Bush, Secretary Paulson said we need a blank check for a whole lot of money, \$700 billion.

Well, what are you going to do with it? Well, we are going to buy toxic assets. We are going to take some of the bad debt off the books of banks and we are going to then relieve them of that, and that will improve their balance sheets, and they will be able to loan again. Well, okay.

At that point the Congress said, well, not one dollar of that TARP money has gone to buying bad debt. Instead, the Bush administration started nationalizing companies left and right. They bought up banks. They are now owned by the government. They bought up automobile companies now owned by the government. They bought insurance companies. They went on a shopping spree and nationalized the means of production in this country.

Now we are at a place where you have Big Government in league with Big Business, the worst of both worlds for the people of this country. This is made worse by a recent Supreme Court decision that opened the channels for unregulated use of corporate funds to influence political elections. That is right. Congress, in its wisdom, had previously established regulations around this that they advertised, they could say call so and so to lobby them but not vote for, vote against, not within 30 days of an election. The Supreme Court threw that all out.

What you now have is a very, very dangerous situation where, let's say

that the Bush administration nationalized a big bank, and let's say there was a Member of Congress didn't think they should. Well, now you have that bank can spend an enormous amount of money trying to stop the reelection of people they don't like and trying to elect people they like. You have Big Government and Big Business working together in the Bush socialist economy to the detriment of the American people.

We will be looking at solutions of campaign finance reform in Congress. A lot of it needs to start with that, for Congress to take action and be willing to take on this nexus where Big Business and Big Government operated in unholy alliance. We need to make sure that the system is influenced by the people of the country, rather than the corporations with their dollars, using them to confuse and trick people with their massive and misleading public relations attacks. I am hopeful.

I am a sponsor of the fair elections bill, a campaign finance reform bill; many of my colleagues are as well. We also need to look at disclosure requirements, shareholder approval requirements. We need to make it more difficult, not easier, for corporations to influence the United States Congress.

I yield back to the gentleman from Virginia.

Mr. PERRIELLO. I thank you for those comments. We can't say enough about how disastrous this decision is, not just for the political system in terms of corruption of the political system, but really a threat to the private sector itself, when the biggest corporations are able to capture government, as we have seen in the years past.

What they do is they try to lock in the status quo that is the very antithesis of capitalism, which is about innovation and competition. When you are able to buy the referees on the field, you no longer have a decent game. We will outcompete and win on that fair battlefield, on that fair sports field, but you cannot do it when they are buying the referees. And anyone who thinks that money has no influence in politics may need to have a little wake-up call.

This is a disastrous decision that goes against decades of precedent. Many out there who decry judicial activism, this is not only overthrowing decades of precedent but a decision just 6 years earlier that had come down the opposite way which looks dangerous in terms of what it means for our Supreme Court. But, again, I think you do a good job of pointing out exactly what it means for the private sector.

I will go to the gentleman from New York and then the gentleman from California.

Mr. TONKO. Thank you, Representative PERRIELLO, for bringing us together this evening for conversation and dialogue on what is an important part of the work we are doing right now. There can be no more important issue than jobs, job creation, job reten-

tion, and dealing with the Nation's economy.

I am glad that we are talking about a bit of a reality check this evening, too, to review history, what brought us here.

There is no mistaking that this administration and we in Congress this year have inherited, as freshmen, a very difficult task because some irresponsible behavior guided the decision-making; and where we found that we grew a deficit to record proportions, historically largest deficit, handed to this administration. That was just a year ago.

So when we look at some of the stats that the stimulus package was responsible for, minimally, 2 million jobs, looking at a number of projections and assessments that have been done out there, I think it is reassuring to know that we have been able to speak to that gross number of at least, minimally, 2 million jobs that came about through sound stewardship and through investment at a time when our recession was bleeding this economy. And all telltale indicators suggest that that bleeding has stopped. But we have only placed a down payment upon the economy with the stimulus package.

In the pipeline are tremendous investments to come, areas that deal with communications, with broadband, opportunities for our neighborhoods, for our communities dealing with transportation projects that are coming, with the smart grid, investment in smart meters, and all of the delivery system that brings the energy supplies to our doorstep, be it a workplace or a home place.

So these are sound investments, so much so that the news we received just recently last month about the third quarter showed 2.2 percent growth. That came about because of a change in thinking, a change of behavior. As witnessed over the last several months and years, we were dealing with what was a draining situation. In fact, I have to look at the fact that we provided within the stimulus package a middle class tax cut, largest in its nature, in its history. And what benefited our communities was that 95 percent of working families in this country realized the benefit that amounted to some \$37 billion in tax relief that came through their paychecks during the calendar year of 2009. That was important work. That was a way to help stretch the budgets for our American households.

Contrast that with the fact that tax cuts under the Bush administration were provided by borrowing from China. Now, isn't it interesting that China was made strong with our kind of irresponsible behavior. We look now at the fact that China's clean energy budget surpasses her defense budget. And we, in this Nation, have an opportunity to enter into that clean energy global race in a sound and practical manner, to prepare ourselves and to invest in the American economy and in

the American race in that global measure that will find us a leader, an innovator, one that will become the ultimate go-to nation for energy intellect. And that is the juncture we find ourselves in today.

Representative PERRIELLO, I would suggest that this clean energy economy that we try to create, and Representative WELCH touched upon it just a moment ago, there is an awful lot of opportunity for us to invest.

The banking community has shied away from energy efficiency, from some of the retrofits we can do for businesses and residents. We know that in this economy it is much easier for them to grant a 20-year plan for a coal plant or a 30-year plan for a nuclear plant, but we can't get the investment in energy efficiency seen as our fuel of choice.

It has been stated that we are writing annually about a \$900 billion check to our competitors simply because of our energy, our gluttonous energy behavior and the price tag on our energy bills. If we could move forward and provide for ESCOs, energy service companies, to go out into this company and retrofit our residential parcels and allow for us to reduce that demand that is worldwide gluttonous in nature, if we could invest in the infrastructure, the human infrastructure, the workforce, it is said that for every billion dollars of investment in retrofitting our residential parcels, some 8,000 jobs are created. That is how we bring back this economy. And it has been happening.

We have been doing installments. We have been great stewards of that stimulus package. We have made certain they go to vital projects. I can see it happening. I can see the pipeline activities coming in the next few months with high-speed rail, with communications opportunities. I think we are on the right course. We need to invest heavily now in a green energy, clean energy economy. That is our way in one sector of activity that can really produce a multitude of wins, with reducing energy demand, enhancing job creation, and reducing the carbon footprint of this Nation and the globe.

Mr. PERRIELLO. What the gentleman talks about here is so important. We have to have the courage at this moment not just to think about how we survive the next quarter, but how do we thrive in the next quarter of a century. How do we compete again. And spending \$1 billion every day on oil that goes overseas to some of the countries that hate us the most is one of the dumbest strategies imaginable, \$1 billion every day out of this country.

Let me brag on Southside, Virginia for a moment before I go on, because we are at the cutting edge of the new energy economy. Just last week, we worked with one of the biggest dairy farmers in the State, and we are going to turn cow manure into power. So instead of having all the effluence go off into the Chesapeake Bay and annoy

neighbors with the smell and be a costly thing that makes milk more expensive, we are going to invest in an anaerobic digester that is going to turn that into power, not only fuel the entire farm, but also much of the town around it.

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I say to farmers who say, How are my kids going to make it with the utility bills that these monopoly utilities are jacking up on us—a 93 percent increase in my area in the last 5 years—I'd say, I don't want you to have a power bill at all. In 5 years, I hope you're selling power in the same way that you're selling milk today.

We have a truck stop owner in my district who's figured out a way. After 9/11, he said, You know, I'm nothing but a front man for al Qaeda. I'm selling their product. Instead, I want to sell an American product. He's worked with farmers in our area to use canola oil to sell a premium diesel fuel—a premium fuel, not a low-grade fuel—and instead of 3 cents on every dollar staying in the county, which is what happens in a normal truck stop, 93 cents on every dollar is staying in our community supporting farmers, supporting the refining.

One of the poorest communities in Virginia, highest unemployment, we're working in their landfill to capture the methane, turn it into power so we can reduce power bills for low-income residents and make it more attractive to business. This is what other countries are daring to do, and we've always been better at it. We've got to dare to be better at it if we're going to be ahead.

With that, I yield to the gentleman from California.

Mr. GARAMENDI. Well, the gentleman from Virginia couldn't be more correct. I'm a cattle rancher, so you're getting very close to home with the discussion about methane and cow power. It's a reality. It actually is happening in large parts of California. Keep in mind that methane is a greenhouse gas that's over 20 times more powerful than carbon dioxide, so you're getting a twofer here. You're getting an energy source. And methane actually is very similar in chemistry to natural gas, so it is a very, very important thing. It has all of the win-win that you just talked about and it takes care of a small environmental problem when you do this methane production.

So this is another example of the way in which this Congress last year in the American Recovery Act instituted public policies that are a win-win for America. These are long-term investments. More than a hundred, almost \$200 million of that stimulus money goes into energy research. We're talking about jobs, researchers in laboratories and the university campuses that are figuring out how to do these things in an efficient and an effective way. In California, we have major research underway in laboratories at the universities that are figuring out how

can you use algae to produce fuel. And it's actually happening. Some of that fuel is now being used in jet airplanes, and the Department of Defense is testing the use of that fuel, biofuels of all kinds.

The other thing that's happening here is the notion that energy is a fundamental national security issue. My colleagues, you've already talked about the enormous expense that the energy consumption is bringing to us and the risk that it puts us in when we get the energy from the most dangerous places in the world. Every step we take to conserve and every step we take to use alternate and renewable energy is a step that enhances our national security.

I want us all to keep in mind who was it that voted in the stimulus bill of last year, the American of Recovery Act, for these critical investments. It was our side, the Democratic side, that voted for it. And who voted against it, voted no? It was our colleagues on the other side of the aisle. There is a very clear dichotomy here on philosophy on how to deal with this. Yes, there is a deficit. More than half of that deficit actually occurred during the George W. Bush era in which this Congress was controlled by the other party. I'm being a bit partisan here, but these are the facts.

Now, what was left to us to clean up when President Obama came in? The greatest recession since the Great Depression. The statistics are clear. Look at the job losses, the way they accelerated during the Bush era. And look what happened when Obama and the stimulus package came into place. We saw a reversal of that. We're now building the American economy once again.

One final point, and this was brought up by our colleagues here, and that is the investment in education. This is a long-term investment. Before I took this job, I was a regent at the University of California, and I watched the enormous decline in support to that university. Forty thousand students are not at the State University and the University of California this year. Those are the people that will lead us in the future. They're not there. They will not be available to us. The stimulus package also put a lot of money into the education system and kept the schools open, kept the teachers working.

Thank you so very, very much. I yield my time.

Mr. PERRIELLO. Thank you.

And before I go to the gentleman from Ohio, I think it is important to note how serious fiscal responsibility is and how serious it is for those of us, frankly, who are some of the younger Members of this body who understand that this threat of fiscal irresponsibility is not coming due for our children or our grandchildren. It's not that far off. It's going to be within our lifetime that we see this. And in order to fix a problem, sometimes you have to understand the root cause of that problem.

With that, I yield to the gentleman from Ohio.

Mr. DRIEHAUS. I want to thank the gentleman from Virginia.

Madam Speaker, I think it's important to look back and to determine where this deficit started. And when you look back, it's back in the Clinton administration when we began to turn around the budget here in the United States, where we began to go from deficits to surpluses and we were actually paying down on the debt.

At the beginning of the Bush administration, they had a choice. They had a choice: Should we continue paying off that debt, should we continue paying down the debt in order to support future generations, or, do we want to gain short-term political gain? I think Republicans in Congress and the Bush administration chose that short-term political gain, because we know what they did. They decided to pursue tax cuts for the wealthiest Americans, we engaged in two different wars that were not paid for, and we engaged in reckless spending. And that led to what? The greatest deficits that we have ever seen in the United States.

When we came in the numbers were off the charts, literally off the charts. Americans had never seen deficits like this. They could have chosen a different course. They could have said it's not the fiscally responsible thing to do right now, to pursue these massive tax cuts for the wealthy. They could have said if we're going to engage in war, we're actually going to pay for it as we go. But they decided not to, and they engaged in reckless spending.

So where has that left us? It required us to make an investment and to continue to spend in order to end this recession, because if we didn't make expenditures in the stimulus, the recession would have gone longer and the recession would have been deeper. I already mentioned that this was the longest recession that we have experienced since the Great Depression. It would have been significantly longer were it not for the stimulus. We know this to be true.

I gave an example earlier of the Realtors. Just this weekend, the Realtors and homebuilders were praising the tax credits in the stimulus for finally getting first-time home buyers back into the market. But we spent a lot of time here tonight talking about new energy technology and how we're going to build this economy in the future, and it is through investment in energy and manufacturing and clean technologies that we're going to move forward.

Just today, Ted Strickland, the Governor of the State of Ohio, gave his State of the State address. In that, the Governor said, I believe in Ohio because Ohio will power the future.

So I want to challenge the gentleman from Virginia, because Ohio is poised. Ohio is poised to lead this Nation in manufacturing, in clean energy technology.

And I'll just give you one more story because it's a good one. Several months

ago, I went out to a business in my district called XTech. Now this was a business that was really reliant upon the steel industry. They make steel rollers for the steel industry. They're made from steel. They sell to the steel industry. I went there thinking, Wow, they're not going to particularly like the investments that we're making in the stimulus in new energy technology. They're not going to like the direction that we're heading in terms of greenhouse gasses. Instead, when I walked in, they said, Thanks. Thanks for your support and thanks for the Congress. Because we get it. You get it. They realized that they were one of the few manufacturers in all of the United States that has the ability to make the steel gears for windmills, windmills that are being built and going up across the country.

Now, we could allow European countries to build these parts. We could allow European countries to sell into the United States. But because of the investments we're making in new energy technology, because of the investments this Congress is making to get us out of this recession, businesses like XTech see a future where there was no future before. That's what the stimulus has meant. Has it required additional spending? Yes. But that additional spending has allowed us to reduce the size of the recession, the duration of the recession, and put Americans back to work.

With that, I yield back.

Mr. PERRIELLO. I will take the challenge from the gentleman from Ohio and remind him of the recent NCAA soccer championship in which I believe the University of Virginia beat a team from your State, a very good team from your State.

Mr. DRIEHAUS. It was a good team.

Mr. PERRIELLO. I do just want you to be warned that that challenge may not work out well for your State. I think what we're talking about here is this issue: We cannot speculate our way to economic recovery.

Sometimes when I'm meeting with the folks in my district—just a couple of days ago I was down in a town that has seen several plants close. The big plants closed back in the nineties after NAFTA. A recent set have closed that had managed to cling on a lot longer. They turned to me and said, Do people up there know we exist, those of us that are making 15, 20, 25 bucks an hour? Do they know we're out there?

And they know that I'm fighting through the Jobs Caucus, through the jobs bill, by being a broken record about jobs, jobs, jobs. But there's a sense that sometimes those on Wall Street and, as Mr. POE mentioned, that Wall Street-Washington collusion, only think about the folks that are already doing really well in the economy and forget about that working middle class, forget about advanced manufacturing, forget about the next generation of farming and ag products and forestry, forget about the fact that two-thirds of

job growth in this country comes from small and medium-sized businesses. They may not get the same headlines as the Goldman Sachs, but they employ America. They treat their workers well. They're accountable, and they produce real value in our community. Those are the folks we have to remember. Those are the people that are taking it on the chin from getting nickel-and-dimed by credit card companies and bank fees and utility rate increases and everything across the board. Those working- and middle-class folks need a voice. We need to be that voice.

I've given the President a little grief tonight and certainly his Secretary of the Treasury, Mr. Geithner, for not being the change that I expected to see and not doing enough for Main Street, but when the President last came here, he did say something that's so important for us to remember. He was talking about how big the challenges are that we face, whether it's health reform or energy independence or the great recession. And he said, We're going to step up and face this because that's what Americans do. We don't back down. We don't back away from a challenge.

Every generation of Americans are faced with a challenge. Some have to storm the beaches of Normandy, some have had to fight great wars. We are being asked to figure out how to compete again in the 21st century and have a strong middle class. And part of that is being willing to do the tough decisions on energy independence and other areas that are going to be the job creators. When we worry about something like the Supreme Court decision saying that if corporations can spend unlimited money, that means the corporations that are competitive today will be able to lock in their monopolies through the Washington-Wall Street collusion. What we have to have is the innovation, even the creative destruction, to create the jobs and the competitive advantage of the future.

The President asked us to have that courage that every generation of Americans has, to not back down from the challenge. This is our challenge, whether it's how to get the budget balanced, how to shore up the middle class, how to be economically competitive in a global economy, how to create competitiveness in energy and health care and other sectors. This is our time, and we will step up and we will try to be worthy of the American people. We will not forget those working- and middle-class folks.

With that, I yield the gentleman from New York.

Mr. TONKO. Thank you, Representative PERRIELLO. Thank you again for bringing us together this evening.

The gentleman from Ohio charted for us the recession, and to use his phrase, it went off the charts, literally. I think what is important to recognize is that we stopped the bleeding. We stopped that drop off the charts with this stimulus package. And the experts, econo-

mists are suggesting that perhaps it would have been another one or two points higher, percentage-wise, the unemployment rate.

□ 2100

Well, that translates into millions of people, millions of people who would have lost a job had it not been for this stimulus and stopping the bleeding. So I think this investment is wise. And it also tells us—we've heard here this evening—that we're investing in a way that allows America's business community and the manufacturing base to do it smarter. We give them the tools to do it smarter. I believe that that's how we sharpen the competitive edge for our business community. They compete in the global marketplace. If we give them a smarter outcome, we will be victorious at that global marketplace. We may not even do it cheaper, but we'll do it smarter. And that will be a thumbs up for the American worker.

So this evening, it was a pleasure to join with you to talk about what we can do with the clean energy economy, what we are doing with the stimulus, the investment in the future of this country in a way that uses cutting-edge tools, which is the important strategy here. And I am proud of the opportunities to be able to think outside the barrel when it comes to energy policy so that we can lift this Nation to a new era of accomplishment and competitiveness. It starts with the stimulus, and it will continue with legislation on jobs, job reform, health care reform, and certainly with energy independence. We need to multitask. Every American worker I know multitasks. We, here in this Chamber, need to multitask and get a host of legislative pieces done. These bills are essential to the rise of the American worker.

Mr. DRIEHAUS. I thank the gentleman from New York. Picking up on the point about multitasking and getting a host of things done. We haven't talked much tonight, and I think it's important. I have the honor of serving on the Financial Services Committee, and I think one of the most important things that we have done for the American people since we have been here is to make sure that we don't go back from where we came. And that is, we don't re-create what created this recession in the first place.

Recently we passed regulatory reform here in the House. The Senate now has that bill in front of them, in front of Senator DODD's committee, and I hope they take it up. And I hope they take it up in short order because what we were able to do in the House version of regulatory reform was to say, you know, these mortgage-backed securities, these credit default swaps, these crazy derivative products that no one was paying any attention to, that the Republicans in Congress said we didn't need to regulate but we know led to the great recession, what we did for the first time, we actually addressed it.

And we said, We're not going to allow the systemic risk in the system any longer. We're going to protect the American people because it's the folks in our neighborhoods, it's the folks in our communities that we represent that continue to pay the price.

So while the Wall Street barons are doling out bonuses left and right on Wall Street, the folks back in my neighborhood are still dealing with the foreclosure crisis. We still have hundreds, if not thousands, of homes in Cincinnati that have been foreclosed on. It's the neighborhoods that are paying the price. I haven't seen the investment banks step up and say that they're creating a community fund for communities across the United States to help alleviate some of the damage that was caused. Instead, they're patting themselves on the back. They're doling out bonuses.

Well, the school systems in our urban core, the small businesses in our urban core, the neighborhoods themselves and families still continue to struggle. They continue to struggle because of the unregulated activity of Wall Street. So we stepped up, and we took responsibility. We passed regulatory reform, and we're going to hold them accountable so that this doesn't happen again in the future.

With that, I'll pass it back to the gentleman from Virginia.

Mr. PERRIELLO. Well, it is interesting that you mention the importance of this because really, again, what we're doing is voting referees back on the field. We shouldn't be choosing sides as a government, but we should make sure the rules are there. Now no one ever leaves the ball game and says, Wow, I really liked the referees in that game. No one ever says, Oh, the referees did a good job. You notice the referees when things go wrong and when a bad call is made. Government certainly makes errors. But what is important is that we have referees on the field.

I talk to friends of mine all the time who are investors and business leaders, and they say, We want predictability and accountability in the market so we can then adjust to that. It's frustrating not just, I think, for many working and middle class folks who have been asked to pay for the mistakes that were made on Wall Street, in part because of mistakes that were made in Washington, to ask hardworking people in my district making \$30,000 a year to pay for people that were making millions every year. But it has also been frustrating for some investors to say, Look, I made the smart investment. I didn't go for the crazy, exotic mortgage-backed securities and derivatives. I made smart, reasonable hedged risks, and it was fine. Yet the people who did make those high-risk, high-return investments not only got to see the upsides in the good years but then got bailed out in the bad years. I mean, if you go to Vegas, and you bet 13 on the roulette wheel, it's a sucker's bet. But

if you know that every time you lose on 13, someone is going to make you money to make the next bet, and when you win, you're going to get to keep it all, of course you are going to keep betting on 13.

So with this, we must understand that the rules must be clear on the field. That's what this is. It's not about being anti-Wall Street. It's about being pro-accountability and having rules that are there. So let's get down to some brass tacks on Main Street job creation, that moves us from speculation on Wall Street to job creation on Main Street, and these are some good, commonsense ideas that should be able to be pursued on a bipartisan basis. We need to figure out a way to get lending going to small- and medium-sized business. If we need to do it through incentives, we can do it through incentives. If we need to do direct lending because the banks just won't do it, we need to do that.

We need to get creative. That is what I hear in my district. People want to expand. They want to hire. They can't get the lending. Consider a capital gains freeze for 2 years for small business. Infrastructure investment, particularly smart grid technology, water infrastructure, broadband infrastructure that we know creates competitive advantage. We've talked about retrofits that already make win-win sense in the economy. We can do this in the commercial sector, the industrial sector. Not at the scale of 100 homes here and 100 homes there. The market incentives are there to do this more broadly than that and put hundreds and hundreds of thousands of people to work in retrofits.

These are concrete areas that will not only help us in these dramatic downtimes in our economy, but do it in a way that creates value on the upside because we know that the cheapest electricity is the electricity you never have to buy in the first place. These are ways to invest in our competitiveness. And with that, I yield to another member of our class.

Mrs. DAHLKEMPER. Thank you very much. I appreciate the gentleman from Virginia bringing us together tonight. I just wanted to come and join you in the sentiments that you have expressed.

As we look at our country and look where we have been and how we got to where we are not just today but in the 200-plus years, it's our ingenuity, it's our resourcefulness, and it's our strong work ethic that really has always propelled the United States to success. Our prosperity, as we know, is built on the American dream and the belief that we can achieve extraordinary things in the future, regardless of all the challenges of the present. And this is the vision of Main Street Americans. Work hard, set high goals, and be optimistic about the future.

In the face of this economic crisis, it's all too easy I think to choose cynicism, but I think if we abandon the op-

timism, and the American dream, we'll do nothing but delay our return to prosperity. I have certainly seen small businesses on my Main Streets throughout my district who have really taken these difficult times and really made changes in their business, and we need to be here in Washington supporting those businesses.

I have had people like John Hall, who lost his job in the textile industry, but then that didn't deter him from a new path to success. In fact, he invented a new piece of fishing equipment. With the help of Penn State Behrend and the Northwest Pennsylvania Industrial Resource Center, he has brought his invention to the marketplace. In Butler County, BeamOne, a company which produces electric beam medical sterilization equipment, has announced plans to build a service center in a local industrial park that is going to create at least 20 new jobs.

I find great hope in all of these success stories around my district, and it kind of ties into what everyone's been saying. We cannot listen to the skeptics. The proof is back with the Americans, the Americans on Main Street. They have not lost their optimism. Many of them drive to really define our Nation's character.

It was mentioned earlier on that our decisions need not be about next week, next month or even next year, or even the election this year. The decisions that we make have to be about our future, the future for our children, the future for our grandchildren. We need to invest in that future, and I think we were doing that last year. We are going to continue to do that this year. It's the innovation that's going to take us to the future to make things I think more positive. We've got to be here in Washington, helping them along with that investment. Innovation, innovation, innovation which will lead to jobs, jobs, jobs. So I thank the gentleman.

Mr. DRIEHAUS. I want to thank the gentlelady from Pennsylvania for her comments. And I think tomorrow we're going to hear from the President, and the President is going to challenge us. Because while we know we've seen a 60 percent increase in the stock market over the last year, we also know that we're not to the point yet where we're creating jobs. I think all of us are very worried that while we are entering into a recovery, we're fearful that it's going to be a jobless recovery. We need to focus on creating jobs.

The President is going to challenge us tomorrow night to control spending while at the same time making strategic investments in jobs and job growth across the United States. That's what we're trying to do in infrastructure. That's what we're doing in clean-energy technology. That's what we're doing through our access to education, higher education, in the bills that we've passed earlier in the year. That's the challenge before us.

I think the American people are really sick and tired, quite frankly, of seeing Democrats and Republicans fight against each other because they feel that they are the ones that pay the price for that, and I think they're right. We need to come together. We need to come together. We need to come together, accept the President's challenge, and move forward to create jobs in the United States. So with that, I'll hand it back to the gentleman from Virginia.

Mr. PERRIELLO. We stand here in the midst of a tremendous economic crisis. What we hear when we go home every weekend is the pain of people who have lost their jobs, the fear of those who think they might be next, the confusion and frustration of having seen one administration seem to wreck the economy and the next not doing enough to fix it.

Well, like many Americans, I am not satisfied. We can sit here tonight and blame the other side for letting the deficit go off the rails or helping to wreck the economy. I am not satisfied being judged by what the other side did. I want us to be judged by whether we get this economy back on track. I want us to be judged by whether we have stepped up to the generational challenges that both parties have failed to address in the decades past.

It's too easy in this town to focus on winning a debate or a legislative fight or a campaign by convincing people that the other side is even worse. That's not a politics worthy of the American people. We've done a lot to stop the bleeding in the economy in the last year, but I'm not satisfied with us merely stopping the bleeding. We must have the healing and the rehabilitation, not just to get us back to where we were, but to an even stronger working and middle class that we've seen in the last few years, a more competitive American economy. A politics that doesn't just reward and lock in the status quo through corporate campaign contributions and ads, but rewards innovation and dares to think of what the next big thing can be, that can unleash again the American competitiveness that is being choked out by so much of the Washington-Wall Street collusion that seems to reward what has been, instead of what needs to be in this country.

It's good to see that Wall Street has recovered and is above 10,000, but I am not satisfied until we see that growth on Main Street, we see the job creation, we see jobs that are somewhere between \$6 an hour and six figures for that vibrant middle class that's always been at the heart of this country. I'm a big believer in this President, and I am a big believer in hope, but hope doesn't pay the mortgage. We have to deal with the banking crisis, the housing crisis. We have to look at the construction sector, education, and workforce development. I am not satisfied with solutions that simply stabilize where we are or offer something a little bit better than what came before. We promised something better than that.

I believe tomorrow night the President has an opportunity to give an address to this Nation that gives an honest reading of the state of this Union, both its unbelievable strengths, its unprecedented hunger for innovation, but also the reality of its economic suffering, particularly with our middle class and working class families who continue to suffer under monopolies of electric utilities, of the credit card companies, of the joblessness; that we will see a President who steps up and continues to say, We are not going to shirk away from the challenges of our time because that's not what Americans do. We step up. We figure out a way to innovate, to out-compete, and to give the American people a kind of politics that they deserve.

That's what brought many of us into politics for the first time, like many of the freshmen who have been speaking tonight. And we are not satisfied yet with the change, but we still believe it is possible. We are looking for everyone to come together, Congress and White House, Republican and Democrat, and all the American people throughout this country, to dare to believe that that hunger we have for change and for hope can translate into real results, including a reinvention of America's competitive advantage that helps restore the strength of that middle class, that understands that two-thirds of our job growth comes from small- and medium-sized business, that gets lending going again, that gets job creation going again and moves us from rewarding speculation on Wall Street to job creation on Main Street.

I thank my colleagues tonight for joining with us on the eve of the State of the Union address.

□ 2115

GOVERNMENT SPENDING

The SPEAKER pro tempore (Mr. SCHAUER). Under the Speaker's announced policy of January 6, 2009, the gentleman from Virginia (Mr. GOODLATTE) is recognized for 60 minutes as the designee of the minority leader.

Mr. GOODLATTE. Mr. Speaker, Thomas Jefferson once wrote, To preserve the independence of the people we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty or profusion and servitude.

Unfortunately, it increasingly appears this Congress has chosen the latter path of profuse spending and the servitude to Big Government that results therefrom. For the next 60 minutes, I and my colleagues are going to talk about the problem our country faces from a very different perspective than you have heard during the last 60 minutes.

I want to start by pointing out the nature of this problem in terms of government spending. This chart shows the deficit each year, starting in 2000. In 2000 and 2001 under a Republican

Congress and first a Democratic President and a Republican President we had a balanced budget and therefore we generated surpluses and, in fact, the two previous years before that we generated a total of \$500 billion in surpluses that were paid down against the national debt.

Then came the recession and September 11, 2001, and spending increases. Many have, I think fairly, criticized the previous President and Congress for spending too much money during this period of time when deficits rose as high as \$400 billion. In fact, this deficit in 2004 was the highest deficit in American history until we got to the very end of the Republican majority, when it went to \$450 billion. Staggering sums of money; too much money spent.

But look what happened when the Democrats took the majority in the Congress in 2007. It skyrocketed to deficits that last year and this year are over \$1 trillion: last year, \$1.4 trillion; this year projected to be close to \$1.5 trillion. To give you an idea how much money we're talking about, this year's budget is projected to spend about \$3.6 trillion with revenues coming in of \$2.2 trillion. So we're going to spend 50 percent more than we take in in revenues. And what are we going to do? We're going to borrow every penny of that money against our children and grandchildren's future.

Now, if this were going to resolve the problem, and some have argued on the other side of the aisle that the so-called stimulus, which contributed almost all of this deficit in this Congress, if they were going to argue that that was going to solve the problem and we would get back to balanced budgets and we wouldn't be borrowing against our children and grandchildren's future for as far as the eye could see, I would listen to their argument. I still wouldn't agree with them.

But their own budget belies what they claim about what they're doing with this so-called economic stimulus package because this is the projected budget for each year until 2019. For the next 9 years, it never goes below \$700 billion and is around \$800 billion, ending at close to 900, over \$900 billion in 2019. Never does it go down, never does it even approach these numbers, which I and my colleagues who will speak with you tonight, all agree were excessive.

But they're nothing compared to what is being done right now, since the Democratic Party became the majority party in this Congress, and Speaker PELOSI has pushed these budget deficits that are absolutely staggering. What does it mean? It means that in 1990, the total national debt, the accumulation of those deficits was \$2.86 trillion. And in 2007, when the Democratic majority took over, it was \$8.45 trillion. In just two more years, it's now \$12.18 trillion, rising by the end of the term of our current President, 6 years into the Democrats' control of the Congress, to \$16.36 trillion, nearly doubling, and