

House Passes Economic Recovery Package Conference Report

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“The Congress took bold action today to turn around the U.S. economy, but the conference report passed today was not without flaw,” said Michaud. “Every \$1 billion invested in transportation infrastructure creates about 35,000 jobs and up to \$6 billion in additional gross domestic product. Investments in energy infrastructure and development will help us to reduce our dependence on foreign oil. There should have been more investments like these in the package, but the combination of targeted investments and tax incentives is a step in the right direction.”

According to estimates released by Christina Romer, Chair of the Council of Economic Advisers, and other senior economists, the American Recovery and Reinvestment Act is expected to create or save up to 15,000 jobs in Maine. Among the funds that will go to projects in Maine will be \$174 million in infrastructure investment. Through the State Fiscal Stabilization program, \$195 million will be made available for school repairs and other important state priorities.

“I am pleased that the final package extends unemployment benefits and increases food stamps,” said Michaud. “These programs deliver help to those who need it, while at the same time stimulating our economy.”

Michaud also praised support for small business in the economic recovery package: “The success of our nation’s small businesses is vital to our economic recovery, and this bill will provide badly needed capital to businessmen and women around the country and in Maine. In recent months, smaller firms have struggled with sinking demand and frozen credit markets. The small business provisions in the legislation are designed to help address these problems with new authorities for the SBA and targeted tax relief for small businesses.”

Michaud once again opposed a procedural motion which designated all of the funding in the stimulus package as an emergency. This motion allows the legislation to avoid pay-as-you-go budget rules. While Michaud voted against the Democratic Leadership’s motion with a bipartisan group of his colleagues, the motion still passed. As such, the entire cost of the stimulus will be funded by borrowing.

“Most of the spending in this bill is emergency in nature – our economy is truly struggling. But some of the programs in this bill should have been funded through the normal budget process, where we can make sure the provisions are paid for and that we are not adding unnecessarily to our ballooning budget deficits. We need to get our nation’s fiscal house in order and live by a budget, just like all American families must,” said Michaud.

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