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Vilsack, Salazar, LaHood deny claim of ‘meager’ stimulus results

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Facing three members of the Obama cabinet in a House hearing Friday, Rep. Paul Ryan (R-WI) charged that “most experts are predicting a so-called jobless recovery. . . while the benefits of the stimulus have turned out to be meager and difficult to quantify, its costs have been large and crystal clear.” He was speaking as the Ranking Member of the House Budget Committee in a hearing on “The Recovery Act: Strengthening Our Economy.”

Transportation Secretary Ray LaHood, a former Republican member of Congress for Illinois, told Ryan and other skeptics: “We’re putting people to work. . . There are people out there working, these are real people, these are people who were on unemployment. . . It could not have been done any quicker or any better.” LaHood, Agriculture Secretary Tom Vilsack and Interior Secretary Ken Salazar listed specifics on thousands of projects already created, millions of jobs being created, and billions of dollars already spent. They explained that the stimulus program will generate benefits for many years to come. Salazar said “The economic crisis President Obama and this Congress inherited was years in the making, years of lax oversight, years of irresponsible behavior at the highest level, years of problems that unfortunately cannot be solved overnight.”

Responding directly to Ryan, Vilsack noted that his department is making special efforts to help Wisconsin’s hard-pressed dairy farmers. And LaHood pointed to stimulus dollars going into Wisconsin highway projects. When Rep. Cynthia Lummis (R-WY) wanted to know if political retribution was behind so little stimulus money going to her state, Vilsack detailed the non-partisan criteria for allocating stimulus dollars based on unemployment levels and other factors. He said he was unaware that she had voted against the Recovery Act and that in any case, Wyoming members’ votes would not affect funding allocations. He also listed \$50 million in stimulus funds already allocated to Wyoming, with another \$6.5 million in the pipeline.

Budget Committee Chair John Spratt (D-SC) opened the hearing by pointing out that the Obama administration inherited an economy “on the brink of a financial meltdown.” He said that due to the administration’s quick action to address the crisis, “While the country has lost 6.5 million jobs since the recession began in December 2007, by far the worst

postwar downturn in employment, we have now slowed the rate of job loss. The housing market is picking up again. Retail sales are turning up, and the forecast is for the economy to grow in the third quarter.” Even before the three cabinet secretaries provided detailed figures, Spratt explained that “Already, the Recovery Act has provided a tax credit for 95 percent of working families, assisted more than 12 million jobless Americans with extra unemployment benefits, and increased food assistance to low-income families. Already, states have drawn down more than \$23 billion in additional Medicaid funds as they deal with record budget shortfalls. And the Recovery Act has already allowed tens of thousands of teachers, law enforcement, and firefighters to keep their jobs.”

Vilsack said that “Some critics argue the Recovery Act was unnecessary or is not working. Some argue that because unemployment is rising, the legislation has failed. It is important to remember the Recovery Act was intended to slow the economy’s downward spiral. Without this legislation, economists have argued that conditions would be much worse. The Recovery Act is working to slow the economic decline and stabilize our economy.”

To demonstrate progress, Vilsack said that “In less than 150 days, USDA has announced the availability of \$27.4 billion of the \$28 billion of funds provided through the Recovery Act. . . . We have provided more than 45,636 loans to Americans who were deeply impacted by the economic crisis and begun implementation of more than 1,000 Recovery Act projects. . . USDA has distributed 2,636 Farm Operating Direct Loans to assist eligible family farmers and ranchers in building and sustaining successful farm operations. . . Soon, the administration will start awarding over \$15 billion in grant funding for three visionary Recovery Act programs, broadband, high speed rail and a smarter electric grid infrastructure. These activities will not only create jobs now, but will shape America’s economy for tomorrow. Our efforts are contributing to stabilizing the economy and we are beginning to see signs of progress.”

Vilsack said USDA is working with farmers and ranchers for direct loans and with banks for guaranteed loans to ease pressure on borrowers by restructuring outstanding loans in order to keep as many borrowers in business as possible.

To watch a webcast or read testimony from the July 24th hearing, go to:
<http://budget.house.gov/hearings.aspx#07242009>