

**EDUCATION & LABOR COMMITTEE**

**Congressman George Miller, Chairman**

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Press Office, 202-226-0853

**Chairman Miller Statement at Committee Hearing On “Building an Economic Recovery Package: Creating and Preserving Jobs in America”**

WASHINGTON, D.C. – *Below are the prepared remarks of U.S. Rep. George Miller (D-CA), chairman of the House Education and Labor Committee, for a committee hearing on “Building an Economic Recovery Package: Creating and Preserving Jobs in America.”*

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The Committee on Education and Labor meets this morning to examine the state of employment and solutions that will put our economy on the road to recovery and get Americans back to work.

The “real” economy is in shambles. Just look at the staggering job losses, rising unemployment, and a sharp decline in families’ earnings. September, for example, saw more mass layoffs than in any other month since September 2001, after 9-11.

Earlier this month, we enacted an emergency \$700 billion financial rescue plan to stem the collapse of the credit markets. That was a necessary step to prevent the bottom from falling out. But we knew that it would not cure what ails our economy.

What we are seeing now, in the continued decline and volatility in the financial markets, is the realization that recession is setting in; that it is likely to be long; it is likely to be deep; and it is going to be global.

It is urgent that we prepare now to take the next steps to rescue the economy by creating jobs, providing immediate relief to the states and small businesses, and by making real investments in energy, technology and education.

We must have a plan that speaks directly to the needs of American families and workers today.

At a forum convened by Speaker Pelosi last week, leading economists agreed that creating jobs is essential to rebuilding our economy.

Alan Blinder and other economists told us that they fear that unemployment could soon hit 8 percent or higher.

Even Fed Chairman Ben Bernanke agrees that Congress should develop an economic recovery package to help blunt rising unemployment.

American families are facing a quadruple economic whammy: Falling home values, shrinking retirement savings, rising basic costs, and job insecurity.

And economists warn that things are likely to get worse. There is a real prospect that today's economic realities will result in a generation of Americans worse off than the previous generation.

In September, the House approved an economic recovery plan. It would have created good-paying jobs by investing in new energy technology and our infrastructure – investments that would prevent our economy from falling deeper into recession.

It would have also provided access to job training and helped working families with grocery and health care bills. We also approved an extension of unemployment benefits in October.

Unfortunately, these efforts were blocked by Senate Republicans and a President in denial of the impact of their disastrous economic policies on American families.

Democrats, on the other hand, recognize that we should act now to restore confidence.

For starters, we have to deal with the growing numbers of the unemployed. Over the past year, unemployment rates have increased in 47 states.

We must extend unemployment benefits for out-of-work Americans whose current benefits are set to expire.

Next, rebuilding our crumbling roads, bridges and schools must be central to our jobs and economic recovery package.

These investments not only provide for urgently needed repairs, but increase productivity, create good-paying jobs, and spur additional private investment.

States and localities have projects ready to go but lack funding as they face declining revenues.

We will hear testimony this morning that making infrastructure investments are some of the most effective uses of the federal dollar in creating jobs in both the short-term and the long-term.

Encouraging the development of a green economy must also be a core component to any jobs recovery package.

Not only will these investments create millions of good-paying jobs, but they will lead to a fundamental change in the way we produce and consume energy.

Other infrastructure investments, such as increasing broadband diffusion, promise similar benefits.

The U.S. lags behind a dozen other industrialized countries in terms of broadband diffusion.

This gap slows our efficiency and our ability to remain globally competitive.

There are a number of other proposals that will be considered in an economic recovery package, including job training, food stamp and heating assistance, and help to states to cover critical costs.

As we continue our efforts to create an economic recovery plan, we must make sure that these ideas provide the best help to struggling families and the best return on taxpayers' investment.

We will also hear from the director of the Pension Benefit Guaranty Agency Charles Millard.

PBGC provides pension protection for 44 million workers and is responsible for administering benefits for more than 1 million Americans.

Director Millard will also discuss his new investment policy that his agency adopted in February of this year and whether this is a prudent approach for the unique mission of the PBGC.

The new policy dramatically shifts PBGC's investments away from fixed income securities, such as U.S. Treasuries, into equity securities and other aggressive asset classes.

We will examine the rationale for such a change in light of the recent market meltdown and the reported loss of at least \$3 billion in equity investments in recent months.

We must preserve and strengthen Americans' retirement plans. For example, we must strengthen 401(k)s by increasing transparency and providing complete disclosure of all related fees and providing independent management advice.

We must also waive the current tax penalty for seniors over 70 and a half who don't take a minimum withdrawal from their retirement accounts. And we must prohibit privatizing Social Security.

Today's witnesses will help us understand what's happening in the real economy, where we are headed, and help us consider what proposals might work best to get the economy moving in the right direction.

I look forward to their testimony.

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