PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

***

Tuesday, May 6, 2008

11:35 a.m.

Mr. Hoyer. First of all -- and I have got a schedule card here. Let me tell you what you already know.

But we are going to appoint conferees today to the Consumer Product Safety Modernization Act. They are also going to be taking motions to instruct, folks on those conferees on the farm bill. We have a pending Ryan and a pending Kind vote.

Tomorrow we will do the Neighborhood Stabilization Act and the Waters bill and the American Housing Rescue and Foreclosure Prevention Act. Frank and Rangel will be talking about where we are in a second, in terms of the economy.

On Thursday we'll meet at 10:00 a.m., and we may consider the supplemental. Possible late votes, other pending bills of the farm conference. That is still a possibility. We'll see where that gets in the near term.

As you know, I have just come from an economic forum. Speaker Pelosi is apparently still reporting on that upstairs. It was, I think, a very, very useful effort for us, after 4 months of consecutive job losses.

And I would call your attention to the chart that we have up here. Can everybody see that chart? I hope it is high enough for you to see.

I had mentioned this on a number of occasions on the floor and other places, I carry around in my pocket an economic card, because there is so much claim of how wonderful this

administration's economic program was going to be. The promises were unrestrained and unmet.

This is the Clinton job performance from the economists I asked today. I have used the figure of 150,000 jobs per month as necessary. Apparently, it was lower than that now for various different economic reasons, as to who is counting and who is not. It is closer to 100,000, 125,000 jobs per month that needs to be created by the economy if you're going to accommodate new people coming in.

Here you could see the Clinton performance, which averaged about 220,000, 230,000 jobs per month, average. Bush is less than 40,000. Right? 40,000, give or take. In other words, from 230,000 to 40,000, so essentially a sixth of what Clinton produced. And that is one of the reasons our economy is in such bad shape, because the economic program of this President has been somewhat of a disaster.

We have handed out some other statistics, which you have, which I just got. And I'm trying to think of Mark, I don't have his last name off the top of my head -- yeah, Mark Zandi, who distributed these.

And what you see, of course, is what you know. This is job production. The last 4 months, we have lost jobs in this economy. Many of the economists with whom we just spoke do believe that, although we are not in the classic position of two back-to-back negative growth in GDP, they believe that for all intents and

purposes we are in a recession. Whether that is true or not, again, I have said, in terms of the stimulus package, whether we are or not, it is designed to keep us out or bring us out if we are.

Foreclosure surge -- you can see that. It is not a surprise to anybody either. The Clinton years are way down here, just the beginning. And then you have this ongoing spike for the last 2 1/2 years.

Now, the reason that this is important, from our perspective, is that to somehow contend that somehow the policies that Democrats have been unable to adopt because of the President's vetoes are some cause of the problem, as opposed to the policies that have been pursued for the last 7 years by this administration, is patently absurd when you look at the statistics and the performance of the economy.

Here, again, another of the same. This is inventories. Here, early, you see inventories are relatively low. Houses are being sold and transferring. If you need to move out, you can. Now we are here, where you have 2.2 million houses in inventory. That not only drives down houses but causes people who are transferred to new jobs, who are asked to go overseas and may not be able to maintain their home, terrible problems because of the inventory. It not only drives down prices, but it makes people unable to sell their homes.

The last one simply indicates bond issuances; that is,

capital available for credit. We know there is a credit freeze, effectively. This is the credit that was available, and then you see now it is down at a sliver of credit, so that people can't refinance. They can't get people to buy their homes because they can't finance that.

The housing bills that we have on the floor this week are, we hope, going to have a very positive effect in terms of making sure that there are dollars available for people, that there are dollars available for localities, to make sure that homes that have been foreclosed are not left vacant and we facilitate people moving back into those, we facilitate people being able to stay in their homes and pay their mortgage rates. All of that we think is critical to the economy.

This landmark housing legislation is designed, obviously, to help struggling homeowners. You have seen the stories. Mr. Frank and Mr. Paulson have been working very closely together on trying to have legislation that passes that will both help and will be signed by the President. We think that there is a very good likelihood of that.

Let me quote the Federal Reserve Chairman, Ben Bernanke. And a little bit of a flank, but I think it is important to show because Bernanke has also been working with Frank on these issues. He said this at Columbia University yesterday: "In some cases, when the source of the problem is a decline in the value of homes well below the mortgage principal balance, the best solution may

be a writedown of principal or other permanent modification of the loan by the servicer, perhaps combined with a refinancing by the Federal Housing Administration or another lender."

That is, of course, what the Frank legislation is designed to do. We think we'll pass that with Republican support.

As a matter of fact, if you look on this other sheet that we have handed you, three Republicans on the committee are quoted as saying -- Ginny Brown-Waite of Florida: "I go home every weekend. I see people and our office helps people who are having problems with foreclosure, and I think it is a responsible approach," speaking of the bill that we have in front of us. Steven LaTourette said, "This has the ability to keep people in their houses."

And Gary Miller from California said, "I'm very concerned about the marketplace, I'm concerned about the economy. People are suffering in this country." He said before that, "Politics is being set aside, on my part. I'm a conservative. I really wish I could support my Republican colleagues on this." But he voted for the bill because he believes that it will relieve the stress that he sees out there.

Gas prices -- clearly, we are all concerned about gas prices. There are various different solutions that are being discussed. We have pointed out that a number of the solutions that we have voted on over the last few months, that the Republican leadership has essentially voted no on almost all of them across the board.

Now, this list is people who have written us a letter -- this is Speaker Pelosi's list of people who wrote her a letter about, we ought to do something. They voted against all of the things that we are trying to do, both in terms of the oil cartels, both in terms of price gouging and in terms of market manipulation, as well as the energy bill itself, which sought a longer-term solution of energy independence.

It is very nice for Republicans to say you ought to do something, but when something is done in a positive vein and they vote no, their only solution is to drill for more oil in places that will not produce much oil, will put our environment at risk and will not solve the long-term problem.

What we need to do is look at alternatives, renewables. We passed a major piece of legislation to do that, and we think we are moving in the right direction.

However, there are some short-term solutions that are certainly being discussed. One of those, as you know, is the possibility of what the President could do on his own, suspending purchases for the Strategic Petroleum Reserve, which would dampen down demand, which is obviously driving prices. We think that could be helpful. I personally believe that is a step that we ought to take, and I think the Speaker agrees with that as well.

Okay, let me stop with that and try to answer some questions.

Q Republican House leadership at their press conference, they attacked the Frank -- the housing bill. They said it is for

lawyers, lenders and what else? La Raza, there is money in there for La Raza.

How many Republican votes do you think you will get on that bill? And what does it tell you that they are going against Secretary Paulson, if he negotiated this bill?

Mr. Hoyer. I think the Republicans are in denial and disarray and wedded to failed policies and insensitive to the pain and plight of the people which Brown-Waite, LaTourette and Mr. Miller spoke to.

The reason I used those quotes, this is not a partisan bill. There are going to be Republicans voting for it. But, again, on these votes, substantial numbers of Republicans voted for these bills. The irony is the leadership didn't vote for these bills, which is sort of like SCHIP, where 45 Republicans voted for it but the leadership did not.

I think there is a very great awareness among the American public that the solutions being sought by Republicans are not to their liking. To wit, Mr. Hastert's replacement is a Democrat. To wit, Mr. Baker's replacement is a Democrat. To wit, whether or not we win the Mississippi seat on the 13th, clearly Mr. Childers has led every time he has run.

Now, my own view is that the Governor is turning the State upside down and shaking it to see that he can defeat our candidate in what ought to be a very safe Democratic -- I mean Republican district, Mr. Wicker's seat.

So I think that the Republicans -- I'm not surprised that the Republican leadership is once again expressing that they don't want to do anything to help people in deep distress.

Mr. Paulson, obviously, believes that -- and Mr. Bernanke believe that action ought to be taken. We do, too; we share their view.

Q With Mr. Cazayoux's election and Mr. Childers' in Mississippi, is the Democratic caucus, if Childers wins, Democratic caucus becoming more conservative on social issues like abortion? Those two gentlemen are pro-life or --

Mr. Hoyer. That is not a party issue, as you know. We don't make that a party issue. We don't whip that issue. Members have to vote their conscience on that issue, and do.

The issues that our party is focused on, I think, are the issues that we are talking about today: the quality of life for real people, jobs, their health care, their education for their kids, and their national security and homeland security and security at home. Those are the elements that unify our party. That is why people are Democrats. And that is what distinguishes, I think, the Democratic Party from the Republican Party.

The social issues are issues which people feel strongly about for one reason or another. But the issues that I think you will see pretty consistent Democratic unity on are issues affecting families every day in their jobs, in their health care, their environment, and their education of their kids and the creation of

opportunities. That is what unifies our party.

So I think you see a unified party on those issues. I think you have. You've had for the last year and a half. And, very frankly, I think you saw that across Blue Dogs and Blue Democrats, progressive Democrats, I think you've seen a unity on those issues.

Are there differences on other issues? Of course there are. Are there differences within the Republican Party? Not as many. The Republican Party is becoming more and more a very narrow party. And you see many, many moderate Republicans deciding this is not an environment in which they want to work, and they are leaving. And we are picking up their seats.

Q Mr. Hoyer, could you chat a little bit about the supplemental and how you plan to introduce it to the floor possibly as early as Thursday with all the tactics going on with the bill right now?

Mr. Hoyer. Well, the supplemental is an effort to respond, in the first instance, to the President's request for funding of the troops, both in Iraq and Afghanistan. We will do that. There will be differences on that issue. People will express their view and will have the opportunity to express their view in a straightforward vote on whether they believe money ought to be appropriated for that purpose or not.

Secondly, I think we will address what we have consistently addressed, and that is a desire by Democrats, reflecting, we

believe, the overwhelming desire of the American public, 60-percent-plus, for a change in the course that we have been pursuing in Afghanistan and Iraq.

It will reflect things that we have talked about before in terms of redeployment, in terms of dwell time, in terms of length of stay in theater and other things along that line that we have expressed our view on, including the status-of-forces agreement that the administration seems to be pursuing, which, without Senate approval, which seeks to bind a successor administration. We don't think that is appropriate without the Congress's involvement. We'll probably say something about that.

And, thirdly, unlike the President and Mr. Boehner and Mr. Lewis, we believe that, at a time of great stress for the American people, that investing money here at home makes sense. Sending $100-billion-plus to Iraq and Afghanistan may be necessary in the short term, but both in the short and long term, investing in America and Americans is also a critical priority, certainly for us.

And so we expect all of those components to be included in the supplemental.

Q Are you still wed to not -- circumventing it going to the committee -- I mean, straight to the floor?

Mr. Hoyer. Let me talk to you about circumvention. Let me start with 2002, so just to remind you. I think all of you know this.

In fiscal year 2002, we considered an omnibus appropriation bill on January 20th, 2002. That was 11 months after the Republican Congress and the Republican administration took over. Ten bills were in that omnibus. That certainly circumvented the normal process.

In 2003, there were 12 CRs, and there was an omnibus bill passed. I think it was eight or nine of the bills wasn't considered until February 20th of 2003, again through the calendar year, into the next year, an omnibus.

Fiscal year 2004, omnibus in January, a year. October 1 the fiscal year started; 4 months after, seven bills. Now, 2005, 2006, 2007, similar scenarios.

One year, of course, the labor-health bill favorably reported out of the subcommittee, favorably reported out of the full committee. Never brought to the floor. Why was it never brought to the floor? To circumvent what they knew was the vote on the floor for raising the minimum wage.

So when I hear the Republicans and their crocodile tears about subverting the policy, and they leave a vote open for 3 hours to pass a prescription drug bill on which they gave a fiscal note which was at least $150 billion in error -- why? So they could fit it into their budget that Mr. Nussle had set aside, $395 billion for what was actually a $515 billion, $530 billion cost. When they put whole bills in conference reports coming back, where they adopted bills in the Rules Committee that had never been

adopted in committee, I'm not moved to great empathy with their complaint.

This is a way in which we can consider legislation that the President has asked for, the way we can consider priorities that we feel are important, and give to every Member the opportunity to vote their conscience and their policy priorities.

Let me also say that I hear some Republicans saying this steals from them the motion to recommit. All of you, I hope, have been following how the motion to recommitment has been used by the Republicans for a year and a half: almost exclusively for political "gotcha" amendments as opposed to substantive policy amendments. Again, that does not, it seems to me, support their concern about the lack of a motion to recommit, should we consider it in a way that does not provide for that.

Q Two short unrelated questions. Any movement on --

Mr. Hoyer. Unrelated to what I have said, or unrelated to one another?

Q Any movement on FISA?

Mr. Hoyer. Yes. When you say "movement," there has been a lot of discussion. I met yesterday with a number of the principals and had FISA discussions. I met with staff. I will be working on it with my staff tonight.

I have talked to a number of the people in our caucus who have been working on this. I have been talking very regularly with Mr. Rockefeller, Chairman Rockefeller. I think if you ask

Chairman Rockefeller, he would say we are making some progress. If you talked to Mr. Bond, I think he would say we have had some productive discussions. I don't think he would say that we are any specific place.

So the answer is I'm still hopeful that we will be able to do something prior to the Memorial Day break.

Q The second question: There is currently about 80 superdelegates in Congress who have yet to stake out a position who they support. After the primaries tonight --

Mr. Hoyer. Ex-officio delegates.

[Laughter.]

Q I apologize.

Mr. Hoyer. I'm selling, and I know nobody is buying.

Q Do you expect any of them to take a stand tomorrow after tonight's primaries? Or do you think the bulk remaining are just going to wait it out until after?

Mr. Hoyer. I really don't know the answer to that question, because I have specifically -- I have talked to a few people about what they think. And I have toyed with the idea of trying to get a larger group, you know, just to talk about, you know, what do you think we ought to do, what is in the best interest of the party, where are we going. And, at some point in time, I may do that. I haven't done it, specifically because I didn't want to have a big story about having done that and because I'm not doing anything about it. So I really don't know.

Baron Hill, who is very, very close to me, I learned about his endorsement in the paper, which was fine. No reason he needed to talk to me about it.

But I think Members on their own are trying to think about where they think they ought to go. And they are doing so, and there has been no effort not to have them do that. There has been some discussion, I know, about trying -- from some people, not from me -- to try to get them to do that early, to try to bring some clarity to the race.

My own view is, as all of you well know, is the ex-officio delegates are specifically designed to try to bring -- if it is not resolved by the voting public in a clear majority, then to bring our best judgment to, again, how we can change the direction of this country through the election of a Democratic President in November. And that is the prize.

And I think that, you know, Members will make that determination when they have sufficient facts that they believe that they can make that conclusion. I have not done that, and others have not done that.

But I really don't know the answer to your question, because I'm not talking to a broad enough group of people about, what are you going to do? I don't mean that -- everybody is talking about the race, so obviously we are all talking about that.

Q On this GI bill that you're adding to the supplemental, is there a substantive reason why you're having it sunset at the

end of 2009? I mean, can you dissuade us from forming the conclusion that it is simply budgetary gimmickry in order to hide its true cost?

Mr. Hoyer. How hard do I have to try?

Let me say 2010 --

Q You just answered the question.

Mr. Hoyer. Sure. 2010 it will sunset. And I think it is -- we feel strongly about PAYGO. We are going to have to address the PAYGO issue. As you well know, doing it this way does not raise the PAYGO objection. We need to deal with it, and I'm going to be a strong proponent of dealing with it.

But let me say this. We are going to do about $170 billion for the war -- or wars. A lot of us feel that doing something for the warfighter is equally critically important, equally critically important to make that money available now.

None of the $170 billion is being paid for. We are going to borrow that money. But we have a lot of people coming back from Iraq and Iran physically injured, psychologically injured, and they need care. They also need investment in their future, whether it is college, loans. So both in health care and in trying to rehabilitate them and reintegrate them into our society and do what we did for the GIs of World War II, give them some leg up in terms of re-establishing their economic well-being, their education, which is an investment in America, you know, we think this is a good investment.

And I'm not going to spend a lot of time -- because you wouldn't believe me anyway, so why should I say it? Obviously, this is, in the short term, a way of facilitating, addressing that concern and that need right now. In the long term, I think we need to address, as I do with the AMT and the others, making sure we pay for that which we do.

Q You said you're not spending any time telling superdelegates about what they should do. But have you been encouraging them about when they should do it?

Mr. Hoyer. No.

Q Not at all?

Mr. Hoyer. No. I really have not had -- honestly, I've maybe had discussion with four or five different people, not in any coordinated way, about, what are you thinking? There has not been broad-based discussions, for the specific reason I didn't want to initiate those.

There will be a time to do that in a broader group of us who are not yet committed as to what do we think; give one another advice and counsel.

Thank you.

[Whereupon, at 12:00 p.m., the press conference was concluded.]