

PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

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Tuesday, September 21, 2010

10:02 a.m.

Mr. Hoyer. Good morning. How is everybody today?

Bright-eyed and bushy-tailed up front here.

Apparently, in the back, you are somewhat quiet and subdued.

It is a wonderful respite. You know things are bad when you're happy to see the press, right?

Welcome. As you know, we are going into session tomorrow. We will meet at 2:00 p.m., consider suspension bills. Last votes around 6:00.

Thursday and Friday, we will be in. We will be in Friday. We will consider several bills under suspensions, and the most important bill that we will consider is the Senate amendment to H.R. 5297, the Small Business Lending Fund Act of 2010.

We have been working on this for a long period of time. I am very pleased that the Senate finally came up with two Republican votes so this bill could pass the Senate. It is a shame that it didn't pass many, many months ago.

We believe it will in fact stimulate small business. It creates, as you know, a small business lending fund to increase lending to small businesses; a \$12 billion tax cut for small businesses, which includes 100 percent exclusion for capital gains on certain small business investments; increases the maximum deduction for startup expenditures; extends the bonus depreciation provision that was in the Recovery Act; and allows self-employed taxpayers to deduct health costs for payroll tax purposes.

We believe all of those will result in expansion of small

business, which, of course, we rely on to create so many of the jobs in our country. And although economists have said that we have been out of the recession for some months now and clearly we have been growing the economy, although more slowly than we would like, we had three quarters of negative growth. And I include the first quarter of 2009 as the last quarter really of the Bush administration, or actually, I meant the last two quarters in the beginning of 2009. But in any event, we have had four positive quarters where we have seen positive GDP growth, a difference of about 12 percent negative in three quarters and 12 percent positive in four quarters. Almost a 25 percent turnaround from negative to positive.

But having said that, we are not growing jobs at the rate that we would desire. This bill we believe will be a further spur to such job growth. It creates a \$1.5 billion grant program, as well to support small business through State-run programs. Maryland has a State-run program as well. This will be of real assistance to the States, so that there will be a Federal-State partnership in trying to grow jobs and expand small businesses.

It extends the SBA provision in the Recovery Act that eliminates borrowed fees and increases loan guarantees on SBA loan programs, again to spur the ability of small businesses to get capital. We also have an expanded program in the Commerce Department to spur small business exports, clearly one of the focuses of the administration and one of the opportunities for small business.

We usually think of large businesses as being exporters, but there

are a lot of very small businesses. I visited one in my district a few months ago that do, in fact, have significant exports, and that creates a significant opportunity for them.

This bill is projected to support over 40,000 jobs for the Export Protection Act by authorizing increased activity by the Department of Commerce in promoting exports.

Secretary Locke visited with me a couple of weeks ago and discussed their activities. In addition, on the floor, we will have the All-American Flag Act, which is certainly, I think, appropriate in a sense that it says that a U.S. flag acquired by the Federal Government is going to be a U.S. flag. Not only will it symbolize the United States of America, but it will be of and by the United States of America, which seems to be more than appropriate.

The continuing focus of the small business lending bill and our activities have been to create the jobs to replace the 8 million jobs that were lost in the last administration; the 3.8 million jobs that were lost in the last year of the last administration; the deepest hole that any administration has confronted in over 75 years. And we are going to continue to work on that.

The Republicans continue to talk about building jobs. They continue, however, to focus on the wealthiest in America in whatever they are talking about. They have held middle-class tax cuts hostage. They are fighting for big corporations rather than small businesses, and the votes have reflected that; whether it is on financial reform to make sure that the largest financial institutions play by the rules,

as well as the smaller ones, but the smaller ones have been watched pretty closely. The bigger ones weren't.

As you know, I said that one of the failures -- the two greatest failures of the last administration was fiscal irresponsibility and regulatory neglect. When the Republicans talk about small businesses and protest about taxes, invariably they are talking about the 3 percent wealthiest of the so-called small businesses. Price Waterhouse, for instance, that organizes itself in partnerships is a \$26 billion revenue corporation or entity, and 160,000 employees in 151 countries. But under some definitions, it falls under small business because of the way it organizes itself. Actors making \$20 million, \$30 million a year also have some association with small businesses, and they lump their income in there.

That is where -- there is an interesting article I would call your attention to from the New York Times on Saturday, "Tax Increase Would Hit Few Small Businesses." When you hear this debate, you ought to read this article, and it delineates what exactly Republicans are talking about when they talk about small businesses. There are -- 97 plus percent small businesses, in fact, would not be hit by any tax increases under the proposals the administration has made and I have supported and others have supported.

In addition, the Republicans continue to vote against legislation which would rescind, reduce tax breaks for outsourcing, sending jobs overseas. We think that is not an agenda that the American public are supportive of.

So let me stop with that and give you your shot.

Let me say, I'm going to continue to and, as a matter of fact, I'm going to give a speech next week, and I will talk about it next week at greater length, but I talk about it all over the country. And our Make It in America agenda, this small lending bill is part of that agenda. And we are going to be focused, not just in the coming months, not just in this Congress, but in the Congress to come and Congresses thereafter, in an effort to create an environment that facilitates and encourages and sees very substantial expansion of the manufacturing sector.

There is a front page story in the Washington Post today, and I'm sure it is in other papers as well, that a young man asked the President a question the other day, and he said, I'm not sure -- he didn't say that I could make it in America, but he wasn't sure he could reach the American dream. What he really was saying was I'm not sure I can make it in America. And we are going to, as the Democratic party has for its lifetime, focus on making sure that average working people, young people, middle-age people, older people, make it in America. One of the ways of ensuring that is to make sure as well that we make it, we manufacture things in America.

All right. Let me go to you.

Q Sir, to that end, the President said yesterday that he was concerned that China had not done enough to let its currency increase in value. Do you think the only way to ensure that that happens is to give the President the trade sanction powers that's in that bill?

Mr. Hoyer. I don't know whether it is the only way to do it. But as you know, the Ways and Means Committee had a hearing. Secretary Geithner testified pretty pointedly on the failure of the Chinese to respond in a way that valued their currency at what the international marketplace believes is a fair value. And we will wait to see what the Ways and Means Committee determines to do over the next few days or weeks and respond.

But the answer to your question is, I don't know whether it is the best or only way for the President to do that. I know that Secretary Geithner has been talking about it, but certainly the Congress giving it attention I think is also appropriate.

Q Mr. Leader, is there a possibility that the House will adjourn at the end of this week and/or before the tax cut issue is --

Mr. Hoyer. I don't know where that report came from, and the answer is no.

Q Following up on, I was reading some articles the other day about what happened in 1994 with the Contract with America, which many of the Republicans signed on the Capitol steps. They are going to have a rollout of their agenda on Thursday. Do you see any parallels, not so much from an electoral standpoint, but from what they are trying to do tactically this election season to what they did in 1994 with their contract?

Mr. Hoyer. Do I think differences tactically? Well, I think tactically they are trying to -- after confronting a public in 2006 that rejected their agenda and saw their agenda as a failed agenda and

repeating that reflection and action in 2008, in which they rejected a failed agenda and looked to move in a new direction, I frankly think the American public is going to look at this rollout, which is more of the same. Sessions was right; they want to return to the exact same agenda. They may be putting -- I'm not going to use that -- they may put a new face on it, but it is the same agenda.

They want to -- their agenda is going to clearly say they want to cut taxes and cut spending. They had the opportunity do that, and they said it would grow jobs. In fact, they did it. Not only did it not grow jobs, it created the worst economy we have seen in three quarters of a century in America, as opposed to an agenda that they universally opposed, every Republican opposed in 1993, which created the best economy we have seen.

I think the American voter has a stark comparison to make between an economy that was robust, created 21 million private sector jobs, 216,000 jobs per month; and an economic program that they want to return to, the exact same agenda, which didn't create, net any private sector jobs. And the figures, giving them the benefit of doubt, let's say they created a million, because that is one estimate, net. That was 11,000; 216,000 new jobs, 11,000 here. Lost 8 million jobs, 3.8 million in the last year that they were in session; and put our economy deeply into debt.

They say they want to cut spending. Under the Clinton administration, spending increased at almost half the level it increased when they were in control of everything.

They say they want to make Congress more transparent and open. Under their leadership, of course, the relationship between lobbyists and the Congress was incestuous, and some people were sent to jail as a result. Earmarks quadrupled under their leadership. So, yes, they want to put a new face with the same policies, and I think the American public is going to reject it?

Q Do you think that, though, that there are lessons Democrats learned from the Contract with America in 1994 and, in that case, the electoral results, that the play is different this time around?

Mr. Hoyer. I think the issue here is, who is going to build this economy? Who is going to create the kind of jobs that you need? What economic model worked? And which economic model failed miserably and was the worst job-producing economy since Herbert Hoover? Not since the Democrats, since Herbert Hoover.

So I think that is really the lesson that the public and I have learned, that their agenda of 1994 was pretty superficial and largely unrealized and, very frankly, would have had, even if realized, little impact on jobs. It was the economic program they opposed that had the positive impact on jobs.

Q Mr. Leader, small business notwithstanding, the schedule actually looks pretty light. And given the fact that what I have seen and read everywhere from most news organizations, with the exception of PBS News Hour, of course, have really sounded the death knell for Democrats, Are your Members telling you that they need to be back home because of everything, the way the coverage is going? And how will

you turn this around?

Mr. Hoyer. Well, I'm not sure every news organization is saying that. God bless PBS. I'm not sounding the death knell, and apparently, the American people in the Gallup poll are not sounding the death knell. In fact, the Gallup poll has changed dramatically.

Now all of you put -- I don't know about all of you, but some -- front page, bold headlines, "Democrats Down by 10 in Gallup Poll." The next week -- that is when we were tied. Now, I presume all of you are going to put on the front page, "Gallup Poll Reports Democrats up by 1." That is an 11 point turnaround in less than 21 days. That doesn't sound like a death knell to me. That sounds like a party that is on the move and a public that is becoming more and more aware of the radical policies being proposed by some Republican nominees and by the assertion that they want to return to the exact same failed agenda. That is what I think is happening, and so I don't think there is a death knell. I think there is a resurgence of Democrats throughout the country?

Q Are Members telling you they need to be back home?

Mr. Hoyer. Oh, do Members want to be back home to campaign and to tell our story?

Q Naming post offices --

Mr. Hoyer. We always name post offices. It is a worthwhile endeavor to do that. And people really do appreciate it, particularly when it is their name and their community, and they are honoring somebody. And we make fun of that, but that's not taking up any time.

And you know that, and I know that.

One of the problems is we still have 400 bills pending in the United States Senate, 75 percent of which have more than 50 Republicans that voted for them. So, to some degree, we have waited for this small business bill forever.

What is happening in the United States Senate, an unemployment insurance bill, which I understand the candidate in Alaska believes is unconstitutional, waited through three cloture votes some months ago and then passed 98-0. So, in part, we continue to wait on the Senate to take action.

Q Speaking of waiting for the Senate, do you expect the Senate to start on the CR at this point?

Mr. Hoyer. I expect them to start the CR, yes, start the procedure, yes. They have a bill from us, and I hope they will --

Q Which bill will they be --

Mr. Hoyer. I don't -- they have numbered bills, but --

Q Is there anything the White House asked for in the CR that you have already told them that they won't be able to get?

Mr. Hoyer. I don't have an answer to that. Mr. Obey may have an answer for that. And the reason for that is I haven't had a full discussion with the White House on what they want in the CR. So they may or may not have done that. I don't know.

By the way, can I say something on that I may or may not know? That does not mean I'm willing to compromise on that issue. When I say that I'm willing to talk, that does not mean I'm willing to

compromise, as so many people reported. Come on, guys, give me a break. I said, to a wonderful, wonderful guy, who I really like, Luke, you know me, I'm willing to talk to people. They want to come in. That does not mean I'm willing to compromise. And in two different instances, I forget the other instance, I said, it was then reported by somebody here that Hoyer said, and I guess this was in response to Mr. Matheson's making a proposal. I said that is a reasonable proposal. The report was, Hoyer is willing to discuss compromising on that proposal. Give me a break.

If I say that, what I mean, is, yes, there are a number of alternatives that are not irrational that may be put on the table. That does not mean that I support them or am willing to compromise on them. So, in fairness to me and to your wanting me to be candid about what I will do, I, frankly, think, no, I won't talk at any time ever about anything. If you believe that is the case, then you don't know me very well.

I took that opportunity on your question, which I know was unrelated, to get that off my chest.

Janet.

Q Just to get back to the question of your thinking on adjournment, to be more specific, you said you don't know where the report comes that maybe you will adjourn this week. But I don't care about the source of the report. Are you committed to working past the end of this week, and can you be more specific about --

Mr. Hoyer. I don't know whether committed to it. My view is we

are going to be in session next week.

Q You will be in session?

Mr. Hoyer. Yeah. The Senate has got to take up the CR, and I don't think they are going to take up the CR -- if they give it to us this week, fine. But I think we will be -- we are going to be in next week.

Q What about October 1st, sir?

Mr. Hoyer. I don't want to speculate on dates other than we are going to be in next week. We want to try to get our work done. There is nobody here that doubts that our Members, Republicans and Democrats, would like to be in their district, talking to their constituents. After all, they have to ask them to be rehired. So they want to be back there.

Q Do you expect any major pieces of legislation -- do you expect any major piece of legislation, though, other than a CR in the small business bill?

Mr. Hoyer. Yes, I certainly think there are opportunities for additional legislation. The NASA authorization, as you know, has been pending, and Mr. Gordon and Mr. Nelson and others are talking about that piece of legislation. There are a number of other pieces of legislation that people are talking about. The child nutrition bill is very important to the White House, a very important piece of legislation. The 9/11 bill is still under discussion. So the answer to your question is, yes, there are very substantial pieces of legislation still under discussion.

Q You didn't name the tax cuts on your list.

Mr. Hoyer. I should have -- "Hoyer therefore excludes tax bill possibility ever" -- I should have mentioned the tax bill.

Q We know where you stand on this issue, but do you have the votes, given the concerns among your own Members, to pass the extension of the middle-class tax cuts?

Mr. Hoyer. Let me reiterate. I said this last week. The Senate -- we are not sure what the Senate is going to do. Chairman Bachus, as you know, is working actively on this and I said last week, I reiterate, I want to see what the Senate can do. I think that will have a great effect on what Members here believe ought to be done or can be done. I will reiterate, as all of you know, I believe that the under \$250,000; we need to hold those people harmless, the working men and women of our country, from any tax increases. I don't think over that has an economic consequence, and we have a huge deficit problem that we need to deal with.

Q Just to follow up --

Mr. Hoyer. Quick. And then, Ben, you're next.

Q As you know, sometimes the Senate has a hard time getting to 60 votes. And if they --

Mr. Hoyer. No. Hold it. Did you all get that down? As contrary to the Democrats are surging, maybe that will be the sub headline.

Q If they can't do that on taxes, would House leaders still have a vote on the issue, just to reiterate your point in terms of what

you think should be done in terms of the tax cuts?

Mr. Hoyer. Well, we want to see what the Senate does. Let me reiterate that and leave it at that.

Q On the Bush tax cuts, you have said what your view is --

Mr. Hoyer. I have got to answer questions that are longer. I have to filibuster a little more. We get a lot of questions --

Q If the Senate passes an extension of all the tax cuts, would you allow that bill to come to the floor?

Mr. Hoyer. I don't want to anticipate what we would or would not allow at this point in time. I want to see what the Senate can do. And we are -- we are discussing that. There are feelings -- I will tell you this, we are going to reiterate between now and whenever that we are absolutely committed to making sure that the working Americans that we define as under \$200,000 -- individually, it is under \$250,000 ballpark -- not ballpark, those are the figures we use -- that they should not and will not under our watch receive a tax increase as a result of the Republican policy of phasing out the tax cuts for working Americans taking effect. We will not let that Republican policy take effect.

Q This will get a long answer.

Mr. Hoyer. David has been covering me for how long, David?

Q Do you really want to know -- 35 years.

Mr. Hoyer. Thirty-five years. When I was in Annapolis.

Q And I was in elementary school.

Mr. Hoyer. Thank you all very much. That was not a quote.

Q Same question I asked you in 1976.

Mr. Hoyer. The answer that I want to give you to that --

Q Your Members are going to go home with no appropriations bills passed, no budget resolution, record deficit, how do they -- not that the public understands the budget process, but how can they go home and say they did their jobs?

Mr. Hoyer. All right. First of all, we did pass a budget enforcement resolution through the House which set numbers. That's all the budget does. You say the public doesn't know the budget, but, David, you do. What does the budget do? The only thing the budget really does is set a 302(a) allocation.

Now, those of you who work in Washington know that what that budget does is all the stuff that the budget -- now, I'm an appropriator of course, so I may not be totally objective on this, but all the budget does when we pass it, passes your cap, your 302(a) allocation. We did that in the budget enforcement resolution. So that objective, contrary to Republican assertions, was in fact accomplished, and we passed it, and we cut below the Senate number and below the President's number because of our concern about the deficit.

We passed statutory PAYGO because of our concern about the deficit. The President sent down a freeze budget on nondefense, nonsecurity domestic discretionary spending because of concern about the budget. We set up a commission -- and the answer to this question is, what do I say and what do I think Members say -- we set up a commission to look specifically at that.

I have personally given a speech on the necessity to bring fiscal discipline and to look at all options and have them all on the table.

In terms of deficits, let me tell you what I tell them. I have served here for 30 years; 20 of them under Republican Presidents. There is one person in America who can stop spending, and that is the President. He can veto any appropriation bill. I have never in 30 years seen a President's veto on an appropriation bill overridden, except President Reagan, 1983, vetoed a bill, sent it back to us and said, you didn't spend enough money on defense, only. Didn't spend enough money. Wanted to spend more money.

What happened under those 20 years of Republican Presidents. I have served 8 years, 8 full years, 2 years now under -- 8 years under Bill Clinton. Twenty years, \$4.68 trillion of deficit spending under Republican Presidents, not a single balanced year under any of those Republican Presidents. Under Bill Clinton, 4 years straight line reduced deficits, from \$292 billion down to about 26 the last year it was in deficit, and 4 years of surpluses; the only President in the lifetime of anybody in this room that had 4 years of service and the only President who has ended up his net 96 months with a net surplus of over \$92 billion. Now, not a lot of money in the trillions and trillions of dollars that were spent, David, but a surplus.

That is what I tell people, and that is why I just reiterated, they say they want to cut deficits. They don't do it. They added \$5 trillion to the national debt in 96 months. So when you talk about fiscal -- yes, we inherited a very, very deep ditch: 3.8 million jobs

loss, 786,000 jobs lost the last month of the Bush administration, a tanked stockmarket, an extraordinarily distressed financial community, out-of-control regulatory neglect, referee off the field.

We have a powerful message to send. And what is that message? The stock market is up 60 percent since shortly after we passed the Recovery Act, 60 percent. What does that mean? That means every retiree that has their investment in a stock portfolio or some investment fund has appreciated their value 60 percent. Stockmarket has closed at 10,7-something yesterday on the Dow. Under Bill Clinton, the stockmarket was up 226 percent. Under George Bush, down 22 percent from his first day, which meant you lost 250 percent of the value of your stock portfolio between the two.

The fact of the matter is, I think we have a compelling message if people know the facts. What they know is we have a huge deficit, \$1.4 trillion, confronting us. That is a critical challenge that we must meet. As you know, I'm a budget hawk. We need to bring down that budget deficit, and we are going to have to adopt policies, and they are going to be tough. And we are going to have to look across the board to do that.

But what we have been struggling to do in the last 18 months is to try to bring us out of this deep ditch, and it is working. Stock market value up. More importantly, we have created jobs. Every month but one, net new jobs this year. That is opposed to losing jobs every month in the year before we took over.

So you're right. It was a long answer. I'm sorry it was so long.

But in my opinion, if the public reflects on who succeeded and who failed, there will be no confusion. It is clear that one economic model had huge success. The other economic model led to the biggest failed -- the most deeply failed economy that we have seen in the last 50 years. Thank you all very much.

[Whereupon, at 10:33 a.m., the press conference was concluded.]