

There is no question that a difficult job awaits our next Attorney General. He must strengthen the fight against terrorism, he must do more to keep our streets and boardrooms safe from crime, and rebuild the Justice Department to be once again a guardian of the common good. Eric Holder has proven that he has the courage and wisdom to do justice to this critical job.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of H.R. 1, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1) making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, and for other purposes.

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

AMENDMENT NO. 98

(Purpose: In the nature of a substitute)

Mr. REID. Mr. President, on behalf of Senators INOUE and BAUCUS, I call up amendment 98 and ask unanimous consent that once the amendment is offered, no further amendments be in order during today's session of the Senate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. INOUE and Mr. BAUCUS, proposes an amendment numbered 98.

(The amendment is printed in the RECORD of Friday, January 20, 2009, under "Text of Amendments.")

The ACTING PRESIDENT pro tempore. The Senator from Hawaii is recognized.

Mr. INOUE. Mr. President, I rise today in support of H.R. 1, the American Recovery and Reinvestment Act. This bill will create 4 million American jobs, invest in the future of America by rebuilding our roads, bridges and schools, and will give State and local governments the resources they need to deal with surging demand for social services and falling tax revenues.

Further, this measure will provide tax cuts to working families who are struggling every day to cope with this terrible recession.

Today, we face the gravest economic crisis that this Nation has seen since the Great Depression. Our fourth quarter gross domestic product shrank by 3.8 percent, the largest drop since 1982.

A million jobs have been lost in the past 2 months, and this coming Friday we expect to learn that during the month of January, another 600,000 jobs, at a minimum, have been lost.

The American people fully understand the depth and seriousness of our economic problems.

U.S. foreclosures increased by more than 81 percent last year, a record, with over 2.3 million foreclosures. Our States are struggling terribly, facing the prospect of cutting off vital services, including schools and police.

Forty-four States are facing budget shortfalls totaling \$90 billion for fiscal year 2009 and \$145 billion for fiscal year 2010.

In 2008, U.S. stocks lost roughly \$7 trillion in value. In an instant, the life savings of millions of Americans simply disappeared. Our banking system is in grave shape. Last year, 25 banks with \$373.6 billion in total assets failed in the U.S.

All the while, the critical needs of our Nation are going unmet. The American Society of Civil Engineers—ASCE—estimates that \$2.2 trillion is needed over a 5-year period to bring the Nation's infrastructure to an adequate condition.

How can we grow our economy and provide opportunities for today's working men and women if the basic physical infrastructure that underlies every job in this country is falling apart?

We must invest in our future by making the necessary commitments to ensure that our infrastructure will support our future economic growth.

But today, we face a much more immediate crisis. In Saturday's New York Times, economist Allen Sinai stated:

My sense is that business is slashing hugely and across the board. Everyone is cutting prices, people, capital spending and all kinds of expenses. It is almost a herd instinct.

There is nothing more destructive to economic growth than deflation. It was the defining characteristic of the Great Depression, and it is the single most difficult economic condition to reverse. We cannot allow a deflationary spiral to develop.

Only one institution in the United States, the Federal Government, has the capacity to step into the breach and stop the terrible spiral of increased layoffs leading to decreased spending, in turn leading to more layoffs and so on.

The Federal Government must take aggressive action. We must use all means at our disposal to address this deepening crisis.

Some argue that this is all part of the natural business cycle, that the best course of action is to stand back and let this crisis work itself out. I would remind those who take this position that the Great Depression was also a part of the natural business cycle.

President Hoover refused to take aggressive action, and the results speak for themselves.

It was not until President Roosevelt took office in 1933 and implemented a

series of drastic policy reforms that the economy slowly began to improve, and, almost as important, gave the average American reason to believe that there was a light at the end of the tunnel.

We must act boldly, decisively, and with all possible speed, or we will face dire consequences. The American Recovery and Reinvestment Act is the answer. This legislation will not only create jobs now, but will also begin the process of rebuilding the physical infrastructure of America that is the key to future prosperity.

Based on these needs, The American Recovery and Reinvestment Act focuses on the following goals:

First, creating or saving at least 4 million jobs;

Second, investing in America's future by rebuilding our basic infrastructure.

Third, providing for job retraining for those workers who need to learn new skills in order to compete in the global economy today, while at the same time, improving the education of our children and young adults so Americans can remain competitive tomorrow;

Fourth, moving toward energy independence and away from burning fossil fuels that leave us dependent on foreign oil;

Fifth, improving our healthcare system so all Americans can have access to quality treatment;

Sixth, providing tax cuts and other means of assistance to lessen the impact of this crisis on America's working families.

To meet these goals the Finance and Appropriations Committees recommend a total of \$888 billion in funding, including \$365.6 billion in new appropriations. This is a significant amount of money, but an amount that we believe is wholly necessary to confront the challenges facing our Nation.

My distinguished colleague from Montana will address the tax and mandatory spending issues that we are recommending and I will address the spending programs that were approved by the Appropriations Committee by a vote of 21 to 9.

It would take far too long to describe in detail the hundreds of programs that are included in this bill, but I would like to take a moment to mention some of the more significant investments that we recommend.

We will invest in our future by funding projects that will rebuild and improve our physical and cyber infrastructure. These projects, totaling \$142 billion, will create jobs in the near-term, and will provide an improved foundation for future growth by fixing our crumbling roads, bridges, and schools, improving our broadband network, and increasing our ability to conserve energy.

America's tradition of public education is second-to-none, but it has been sadly underfunded in recent years. We all know that for the United States