

PETER DEFAZIO REPORTS

Congress of the United States
House of Representatives
January 2012

Counties In Crisis

Read more on my efforts to stabilize rural counties and protect the health of our forests, [Page 3](#)

FACTCHECK: Wall Street Speculator Tax

Learn about my plan to generate revenue and reduce market volatility, [Page 3](#)

Join my telephone town hall meetings

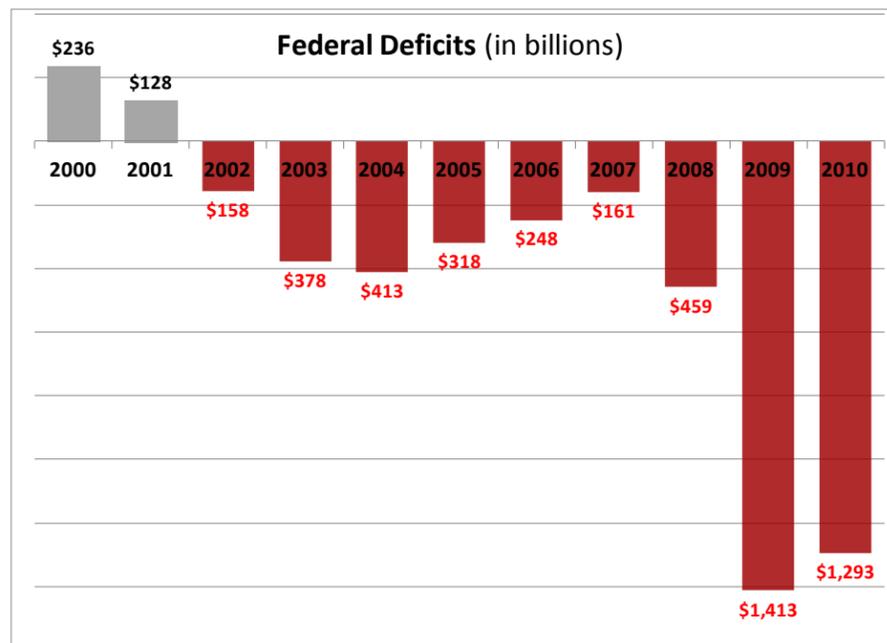
On Oregon's Do-Not Call list but want to participate in my telephone town hall meetings?

Contact my Eugene office at 800-944-9603 or send my office an email through my website, and leave your name and phone number so you can be included on the next call.

Keep up with me on Social Media

[@RepPeterDeFazio](#) on Twitter

www.facebook.com/peterdefazio on Facebook



Source: Office of Management and Budget

Three Step Plan to Responsible Budgets

The accumulated debt of the U.S. passed \$15 trillion in November. For the first time since World War II, our debt exceeds the gross domestic product. That's a horrible legacy to leave our kids and grandkids.

Sometime in the near future I expect our credit card will be denied or interest rates will skyrocket.

If we want to save Social Security and Medicare and make investments that put people back to work, we must get our debt and deficit under control.

On page four, you can read about my plan to put us on a path to fiscal responsibility.

[SEE STEPS ON PAGE 4](#)

Fighting for Jobs Here at Home

For three years our nation has struggled with high unemployment. The Bureau of Labor Statistics estimates real unemployment is hovering at a stunning 16% percent and 25.5 million Americans are unemployed, underemployed, or have given up looking for work.

We can and must do better for our people. We cannot afford another year of congressional inaction.

I have been pushing my colleagues to work on real legislation that creates and keeps living wage family jobs here at home.

On the following page, you can read about my work to put people back to work.

[SEE JOBS ON PAGE 2](#)

Creating Jobs, Saving Counties

I opposed the Clinton Northwest Forest Plan in 1994 because it wouldn't deliver promised levels of timber harvest, and it lacked protections for old growth.

The Clinton Forest Plan in fact relied on a large volume of old growth harvests.

I predicted his plan would lead to controversy and years of litigation. Over the last two decades we have made little progress in addressing the gridlock in our forests.

The extremes in this debate will never be satisfied.

Some environmental activists demand we stop harvesting all timber on public lands no matter how necessary that might be to preserve forest health and rural jobs. There are some in the timber industry who insist we return to the days that would liquidate the last of the old growth on our public lands.

I have been working with a diverse group of stakeholders to build a bipartisan plan that creates jobs through sustainable management, helps stabilize Oregon's rural communities, and ensures the protection of old growth and forest health for future generations.

After many hours of negotiation, compromise, and hard work, I hope to soon introduce legislation with Rep. Kurt Schrader and Rep. Greg Walden to provide a long-term plan for Western Oregon communities.

[SEE FORESTS
ON PAGE 3](#)

Fighting For Jobs Here At Home

INVESTING IN AMERICA AND BUY AMERICA

Our national transportation system is facing a crisis. According to the *National Surface Transportation Infrastructure Financing Commission*, it has deteriorated so greatly “our safety, economic competitiveness, and quality of life are at risk.”

We need to rebuild our nation’s infrastructure. Every \$1 billion invested in transportation infrastructure creates or sustains over 34,000 jobs and produces \$6.2 billion in economic activity.

These jobs are not just construction jobs. They are also private sector jobs in engineering, software and architectural design, manufacturing, and small business as well. It would directly help businesses that supply materials for these projects. There is no more certain way to jumpstart our economy, put people to work, and improve our long-term economic competitiveness.

We must ensure that jobs created by transportation investments go to American workers and businesses, not China.

Recently, Clackamas-based Oregon Ironworks lost a federally funded bridge project to a Chinese company because of loopholes in current Buy American laws. I have cosponsored “Buy America” legislation (H.R. 3533) that closes these loopholes, guarantees that federal investments create American jobs, and ensures that American businesses and workers can fairly compete for federally funded transportation projects.



Congressman DeFazio discusses transportation legislation that would create jobs and fund critical road and bridge projects like this bridge in Eugene.

Photo Credit: Oregon Department of Transportation

FIGHTING FOR JOBS FOR UNEMPLOYED AMERICANS

In 2010, the *Bend Bulletin* reported that federal stimulus funds were awarded to private contractors in Oregon who underbid their competition by using foreign laborers. After reading the articles, I demanded the Inspector General (IG) investigate these contracts.

The IG investigation found that these companies exploited federal loopholes to hire foreign workers and that federal and state agencies failed to properly oversee the contracts.

In October, I demanded the Department of Labor (DOL) close these loopholes so businesses can’t skirt the law and hire foreign workers on federal contracts at the expense of American workers. The DOL agreed and is revising several rules. Unfortunately, special interests who pad their pockets by exploiting the law are fighting this change. I am fighting to make certain congressional budget writers protect American workers by enforcing the proposed changes.

Our workforce is one of the best in the world, and these contracts should have been awarded to companies that would hire unemployed Oregonians. It is obscene that U.S. companies were rewarded for abusing American workers and immigration laws to undercut honest competitors to squeeze unearned profits out of contracts.

I will continue to fight to fix these immigration loopholes.

THREE MORE TRADE AGREEMENTS, THREE MORE DISASTERS

As a result of so-called “free” trade agreements, 54,000 U.S. manufacturers have boarded up or moved overseas over the last ten years according to the Bureau of Labor Statistics (BLS). **The BLS also found that over five million family wage manufacturing jobs, including 53,000, in Oregon have disappeared.** The U.S. is borrowing a billion dollars a day to buy foreign goods that used to be made here at home.

In 2011, Congress recklessly passed three more free trade agreements (FTAs) that will lead to the further erosion of our already degraded manufacturing base. **The Economic Policy Institute estimates these FTAs will cost the U.S. over 200,000 jobs and increase our trade deficit by at least \$20 billion.**

The South Korea FTA will increase the U.S. trade deficit, grant the Korean auto parts manufacturers easier access to American markets, and may allow U.S. to export more beef.

Panama is the Western Hemisphere’s leader in sheltering drug runners and money laundering corporations, and it is home to over 400,000 corporations seeking to avoid U.S. taxes and laws. Under the Panama FTA, these unsavory operators will enjoy greater access to U.S. markets.

The Colombian government ignores the murder of labor activists seeking better working conditions. Under the Columbia FTA, they agree to try and stop the assassinations and in return they will become yet another base for U.S. manufacturers to access cheap, exploited labor to export goods back to American markets.

These FTAs, like the previous agreements I opposed, will not produce the promised benefits for our economy. We need a new trade policy for this country. I have reintroduced the End the Trade Deficit Act, H.R.1603, which would prohibit new free trade agreements until a report on the causes and solutions of free trade agreements is provided to the president and Congress and acted upon. **I will continue to fight to protect American workers and oppose our wrong-headed trade policy.**

FORCING CHINA TO PLAY BY THE RULES

Last year, the U.S. Census reported that the U.S. trade deficit with China was \$273 billion or 42% of our total international trade deficit. For every \$1 in goods the U.S. exports to China, we import \$4 of goods from China. The U.S. trade deficit with China alone has cost us 2.8 million jobs according to the Economic Policy Institute (EPI).

China illegally manipulates their currency, which gives them an unfair advantage. The EPI found that by forcing China to revalue its currency, we could create 2.25 million jobs in the U.S. and reduce U.S. unemployment by one full percentage point. I cosponsored the Currency Reform for Fair Trade Act, legislation to require the U.S. take action against currency manipulators like China and impose retaliatory tariffs on their imports.

China does not play by the rules. The U.S. must defend American workers and businesses by enforcing international trade laws.

Stop Reckless Speculation On Wall Street

In November, I introduced the Wall Street Trading and Speculators Tax. This bill places a .03% tax (30 cents on a \$1,000 transaction) on most non-consumer financial trading like stocks, bonds, and complex financial instruments. **It targets high volume Wall Street speculators who add tremendous volatility to the market by flipping stocks a thousand times a minute.**

This legislation would not impact the average investor and does not apply to everyday banking transactions. The non-partisan Joint Committee on Taxation found that this bill would **raise \$352 billion over ten years.**

Not only would the Wall Street Speculators Tax raise revenue, **it would drive the worst high volume speculators out of the market, which benefits pension funds and other long-term investors.** A Wall Street financial transaction tax has the support of over 200 economists, including Paul Krugman, business leaders like Bill Gates, and more. [*see list at www.defazio.house.gov*]

We need serious proposals to get our country back on

sound fiscal footing. The \$350 billion in new revenue will reduce our deficit and enable federal investments that will put people back to work.

FACT CHECK: Speculator Tax vs. H.R. 4646

An internet rumor claims Senator Tom Harkin and I introduced H.R. 4646, a bill that would levy a one percent tax on every financial transaction including credit card transactions, bank deposits, and social security deposits. **This email is FALSE.** Rep. Chaka Fattah from Pennsylvania introduced H.R. 4646. I do not and have never supported this legislation.

The non-partisan political fact checking site Politifact rated the DeFazio-H.R. 4646 myth "Pants on Fire Lie."

To read more or for additional information and non-partisan fact checking articles that have debunked the myth, go to www.defazio.house.gov and click "The Truth About H.R. 4646."

Creating Jobs, Bringing Certainty to Rural Oregon, Protecting Forests

Continued from Page 1

This plan would create thousands of jobs in our forests, mills and communities, stabilize rural communities, save taxpayers money, protect old growth and ensure the health of federal forests for future generations.

Our plan is not final and must still go through the legislative process. But I believe our plan is a realistic, long-term solution that will break the gridlock.

Rural Oregon communities cannot afford congressional inaction.

It's time the tired rhetorical debates end and we work together to pass a common sense, long term plan to protect our forests and revitalize our rural Oregon counties.

O & C Trust, Conservation, and Jobs Plan

Creating Jobs for Oregonians

The Oregon Forest Resources

Institute estimates our proposal could **create more than 12,000 new jobs in rural communities throughout Oregon** and reduce high unemployment throughout the state.

Our proposal continues the prohibition on exporting unprocessed logs from federal lands and protects family-wage jobs, and Oregon's manufacturing base by penalizing businesses that ship Oregon timber from federal lands overseas.

Bringing financial stability to rural Oregon counties

Our proposal will stabilize counties by moving them away from the uncertain future of county payments and the political disputes in Congress.

Forested counties in rural Oregon would be able to count on a sustainable and more predictable level of revenue every year, keeping vital county government services like law enforcement, public schools, health care, road and bridge maintenance,

and construction.

Protecting our forests

Our plan would provide permanent protection for old growth in western Oregon for the first time ever.

It would also protect some of the most pristine and scenic areas in the state adding 150 miles of Oregon rivers to the Wild and Scenic Rivers Act, and protect 90,000 acres of Oregon forests as wilderness including Devil's Staircase and Wild Rogue; it would also transfer 1,000,000 acres of old growth forests from the Bureau of Land Management to the Forest Service.

Some environmental groups claim this proposal would waive the Endangered Species Act, the Clean Water Act, and other critical environmental laws. This is a lie.

Oregon's rural and forested communities are facing a serious financial crisis and this plan is a serious solution.

A Grim Future for Rural Oregon

Federal support payments to rural and forested communities, commonly known as "county payments," that helped support rural Oregon counties for over a decade expired on October 1. There is little hope Congress will pass a long-term extension at adequate funding levels given our growing federal deficit.

This should alarm all Oregonians. The expiration of county payments will have serious consequences for Oregon families unless a long-term solution is found. Counties will continue to release offenders and close jail beds. Pot-holed roads and structurally deficient bridges will be neglected. And already underfunded rural schools will be devastated.

A recent study by Oregon State University found that without county payments, Oregon rural counties will shed between 3,000 and 4,000 jobs. Oregon business sales will drop \$385 million to \$400 million. And counties will lose \$250 million to \$300 million in revenues.

For counties already on a financial cliff and facing depression-like unemployment, this could be the final blow.

For current information go to www.defazio.house.gov

Three Steps To Fiscal Responsibility

STEP 1: FORCE CONGRESS TO BALANCE OUR BUDGET

Social Security is the largest creditor to the U.S. government. Unless we get our spending under control, we may not have the capability to honor that debt to pay future Social Security benefits.

We need to guarantee the federal government can meet future commitments to fully fund critical programs like Social Security, Medicare, public education, and our transportation infrastructure.

During my first term in Congress, I did not support a balanced budget amendment (BBA) to the Constitution. I was concerned it was just a gimmick and all Congress needed to do was work together to make tough decisions.

It didn't take long to figure out that Congress has an infinite capacity to kick the can down the road. Over time, that can has gotten heavier and is going to land squarely on the next generation with full force.

In 1995, I supported a BBA that passed the House. It failed in the Senate by one vote. Had it become the law of the land, today we would be paying down the last of our debt.

We wouldn't have had ten years of the Bush tax cuts that favored millionaires and billionaires. We would have forced Congress to vote annually before putting the wars in Iraq and Afghanistan on the credit card. We wouldn't have had a prescription drug benefit that gives subsidies to the pharmaceutical industry, added \$500 billion to the deficit, and gave seniors a donut hole.

That's why I was a lead Democratic sponsor of a nearly identical BBA in the House in November. This BBA would have forced Congress on both sides of the aisle to sit down and meaningfully deal with the financial problems in this country.

Though the amendment failed, I won't give up my efforts to rein in this reckless accumulation of debt in Washington, D.C.

STEP 2: SMART DEFICIT REDUCTION

END EXPENSIVE AND INEFFECTIVE TAX CUTS:

Returning to the Clinton-era tax rates by ending the Bush tax cuts and Obama Payroll tax cut would slash the deficit over the next 10 years by about 50% or \$5 trillion, according to the Joint Committee on Taxation.

END WASTEFUL TAX BREAKS AND SUBSIDIES: Ending tax loopholes and subsidies for profitable corporations like GE and Exxon would generate \$159 billion a year according to Citizens for Tax Justice. Ending subsidies to big agriculture conglomerates would save \$20 billion a year according to the Office of Management and Budget.

END AFGHAN WAR AND COLD WAR ERA PROGRAMS: The U.S. cannot afford to be the cops of the world. We do not need enormous military bases and thousands of troops stationed in Europe – the Cold War ended 20 years ago. We need to get out of Iraq and end the war in Afghanistan. U.S. troops should not be responsible for settling the Afghanis centuries long intertribal and intratribal conflicts. If we ended the wars and reduced overseas Cold War era troop levels, we would save U.S. taxpayers over \$125 billion per year.

PUT AMERICA BACK TO WORK: Millions of Americans have suffered from long-term unemployment. We have to get Americans working again in the jobs they want and need. That alone would reduce the deficit by \$400 billion according to the Center on Budget and Policy Priorities. [[see more in the jobs section on Page 2](#)]

STEP 3: AUDIT THE PENTAGON AND FEDERAL RESERVE

PENTAGON

Federal law requires all federal agencies to produce annual auditable financial statements. But, the Pentagon was given a special audit exemption.

Over the last 30 years, federal

investigations have found serious errors in the Pentagon's bookkeeping. In 2000, an Inspector General report found that nearly one third of the accounting entries in the Pentagon's \$600 billion budget were untraceable. We could achieve significant savings if the Pentagon was subjected to audits just like every other federal agency.

In July, the House passed my amendment to end the Pentagon's special exemption and to complete its first audit in years. There is no reason the largest and most expensive agency in the federal government should hide its books from scrutiny. We need to guarantee that taxpayer dollars are used efficiently to support our troops and counter real threats. This amendment will help achieve that goal.

FEDERAL RESERVE

The lack of transparency at the Federal Reserve (Fed) has long concerned me. But I was stunned to learn that between 2007 and 2010 the Fed secretly loaned six Wall Street megabanks \$7.8 trillion in taxpayer money. **That is more than ten times the size of the controversial Wall Street bailout that was approved by Congress over my strong opposition.**

These banks destroyed our economy by making risky bets, and the Fed secretly bailed them out without any consequences for their actions. *Bloomberg News* estimates that these massive Wall Street banks actually made money by taking advantage of this secret backdoor bailout by the Fed.

The Federal Reserve must be held accountable to the American people. I have long fought for an independent audit of the Fed to ensure transparency for the public. I was an early cosponsor of Rep. Ron Paul's Federal Reserve Transparency Act of 2011 and have cosponsored similar bills to rein in the Fed throughout my time in Congress.

I will continue to fight for legislation that forces a complete audit of the Fed to ensure it is transparent and accountable.

My offices are here to serve you.

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VISIT MY WEB SITE AT:

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