

August 16, 2010

WASHINGTON, DC— U.S. Congressman Peter DeFazio (D-Springfield) released a letter today to President Obama highlighting a great opportunity to redirect and refocus his economic policies on job creation for working Americans. The letter asks the president to nominate a chair of the Council of Economic Advisors who will champion a bold new course to address the desperation working class Americans feel today. DeFazio was joined by 35 other Members of Congress.

Key passages:

Working Americans are angry over the current state of the economy and the lack of job opportunities for middle class families. Wall Street has recovered nicely, but Main Street has not.

We ask that you nominate a chair of the Council of Economic Advisors who will champion a bold new course to address the desperation working class Americans feel today.

A successful nominee to the Council of Economic Advisors will understand that current U.S. trade policies are stifling the economic recovery by pushing working class jobs overseas.

Your nominee should also value the benefits of investing in infrastructure. Currently, the U.S. invests less than one percent of our GDP in infrastructure, while China, our largest economic competitor, invests the equivalent of nine percent of its GDP.

Finally, we think a nominee should understand that small businesses are best positioned to pull us through this economic downturn.

We believe a voice for the working class of America within your economic team will signal an important change in how Democrats will resolve the current economic downturn.

A copy of the full text of the letter is below:

August 16, 2010

The President of the United States

The White House

1600 Pennsylvania Avenue NW

Washington, DC 20500

Dear President Obama:

Working Americans are angry over the current state of the economy and the lack of job opportunities for middle class families. Wall Street has recovered nicely, but Main Street has not. With the chair of the Council of Economic Advisers suddenly vacant, you have a great opportunity to redirect and refocus your economic policies on job creation for working Americans. It is important to refocus now because the economic impact of the stimulus is beginning to wane, and will lead to minimal job creation in 2011 and beyond.

We ask that you nominate a Chair of the Council of Economic Advisors who will champion a bold new course to address the desperation working class Americans feel today. As you know, the latest unemployment report is dismal. But the jobless recovery is actually much worse and Americans are growing more pessimistic by the day. The Bureau of Labor Statistics unemployment rate fails to count those who can only find part time work or who have altogether given up looking for work. When including those two subgroups, the real unemployment rate is 18.3 percent and significantly higher in rural areas.

Every spouse, sibling, parent, and neighbor of those 18.3 percent is rightfully questioning our job performance to date.

The non partisan Brookings Institution has identified another measure - *the jobs gap* – which is the number of jobs the economy needs to create to return to pre-recession employment levels while also absorbing the 125,000 people who typically enter the labor force each month.

Currently that gap stands at 11.6 million and it will take more than two decades to fully recover if the dismal private sector job growth of July is the best we can do. Even with vibrant job growth comparable to the late 1990s, it would still take 5 years to recover.

Like you, we read the mail from our constituents and listen carefully at town hall meetings. People are pessimistic, frustrated, even scared of the future. Gallup's Economic Confidence Index has not substantially improved for a year and a half and still remains deep in negative territory. The Wells Fargo/Gallup Small Business Index -- which measures small-business owners' perceptions of the current economy and future expectations fell to -28 in July, the lowest level ever. We believe the American electorate needs to see an adjustment in our economic policies that charts a new course for substantial job creation.

A successful nominee to the Council of Economic Advisors will understand that current U.S. trade policies are stifling the economic recovery by pushing working class jobs overseas. The growing trade deficits with China and Mexico clearly show the exodus of our manufacturing

base overseas. The free trade agreements of past administrations have opened up our markets to foreign goods, but have not opened up foreign markets for the U.S. worker to compete.

Your nominee should also value the benefits of investing in infrastructure. Currently, the U.S. invests less than one percent of our GDP in infrastructure, while China, our largest economic competitor, invests the equivalent of nine percent of its GDP. We are struggling to maintain our highways, bridges, and transit systems, drinking water, waste treatment plants, energy grids, and telecommunications networks. Our lack of investment undercuts our productivity, accelerates the erosion of our manufacturing base, and compromises our economic competitiveness.

We also seek a nominee who can help formulate a U.S. manufacturing strategy to capitalize on our research, innovation, and skilled workforce with a manufacturing revitalization and maintain critical defense capacity and other critical infrastructure.

Finally, we think a nominee should understand that small businesses are best positioned to pull us through this economic downturn. They must understand that contrived special interest demands from corporate America cannot be substituted for real help for small businesses. Wide-ranging tax cuts for big businesses do not create jobs, but lending to small businesses on fair terms does.

We believe a voice for the working class of America within your economic team will signal an important change in how Democrats will resolve the current economic downturn. Despite the massive federal intervention to date and a resurgent Wall Street, the jobless recovery will continue for the long-term. Bringing a new focus to the working class is essential to the long-term success of our nation and the Democratic agenda.

Sincerely

Peter DeFazio, Marcy Kaptur, Jan Schakowsky, Michael Michaud, Bruce Braley, Jim McDermott, Leonard Boswell, Lois Capps, Mazie Hirono, Michael Arcuri, John Boccieri, John Yarmuth, Phil Hare, Paul Tonko, Louise Slaughter, John Hall, Steve Kagen, David Wu, Zack Space, Bill Pascrell, Alcee Hastings, Betty Sutton, George Miller, Lynn Woolsey, Maurice Hinchey, Joe Baca, John Garamendi, Russ Carnahan, Daniel Lipinski, Dennis Cardoza, Eleanor Holmes Norton; Hank Johnson; John Conyers; Judy Chu; Rosa DeLauro; Dennis Kucinich