

**WASHINGTON, D.C., Feb. 4, 2009** – Congressman Richard Neal (D-MA) joined the Franklin Center for the first of its 2009 “Benevolus Series”\* policy discussions on Wednesday, Feb. 4<sup>th</sup> in the House Ways and Means Committee Library Room. Neal has served in Congress since 1989 and is currently a member of the House Ways and Means Committee, where he Chairs the influential Subcommittee on Select Revenue and is a senior Member of the Subcommittee on Oversight. He is also the At-Large Whip for the Majority Leadership team in the House of Representatives.



The Congressman opened the session with his views on the status of the economic recovery legislation in the Senate. He was generally upbeat about the process, and believed that a House-Senate compromise could be worked out relatively quickly, with the final legislation reaching President Obama’s desk within weeks. Still, he cautioned that the overall cost of the measure was causing some concerns amongst many Members of the House Democrat majority, especially the 59-Member strong Blue Dog Caucus, whose voice is carrying more weight in this Congress. He also reiterated the need for a broad and sizable stimulus package in the face of the very gloomy economic outlook.

Despite this positive outlook for the economic package, the Congressman conceded that the withdrawal of Senator Tom Daschle’s nomination for Health and Human Services Secretary had been a distraction. Mr. Neal recalled how more questions were raised about the Daschle nomination than the stimulus plan at President Obama’s first news conference, which he believed was not helpful to the public push. He believed, however, that the nomination distraction would be temporary.

After the stimulus plan is signed, the Congressman said the number one priority of the Obama Administration is housing. When asked about other legislative priorities outlined on the campaign trail like climate change and fundamental health care reform, Mr. Neal said that while those remained priorities, all the emphasis from the White House and the Democrat majorities in Congress would be on job creation until the economy begins to heal. In this context, he projected that further banking reform and changes to the troubled asset relief program (or “TARP”) would be next up on the congressional agenda.

The discussion shifted to trade, where Neal, who is a leader on trade issues, was asked about certain Buy America provisions in the House stimulus plan. Mr. Neal was very concerned about the provisions, which require certain projects to be built only with iron and steel made in the U.S. He believes that “economic nationalism” is on the rise from both the conservative and liberal wings of the American political system, and he believed that too much of it during the global economic downturn could make matters significantly worse. He was also concerned with a slight but noticeable uptick in the academic community among those who were willing to question the benefits of open trade.

Returning to the discussion over health care reform, the Congressman observed candidly that it would be a difficult undertaking. Given that two of the largest employers in his congressional district are teaching hospitals, he is keenly interested in how any plan might affect them. When the Clinton Administration attempted a health care overhaul in the 1990s, it was the Congressman’s concern for these hospitals that led him to oppose that plan.

The Congressman was slightly more optimistic for the chances for fundamental tax reform. He spoke about the camaraderie and pride of the Ways and Means Committee Members who achieved the last major reform of the code in 1986. He believed the economic conditions, revenue shortfalls, and other factors might all combine to produce the conditions necessary for a real discussion to take hold. He noted that Committee Chairman Charles Rangel (D-NY) is sincere in his call to bring down the corporate tax rate, but that conservatives will have to be equally sincere in measures to raise revenue.