

THE ECONOMY

Md. leaders urge action on second stimulus package

Transportation projects would create jobs, Fry says

BY **KARISSE CARMACK**
Capital News Service

WASHINGTON — Another economic stimulus package is needed to address the needs of ordinary Americans, three Maryland executives said during a Senate hearing Thursday.

Earlier this year the Economic Stimulus Act was passed by Congress and signed by President Bush, giving millions of Americans tax rebate checks to help boost the economy.

Last month, as mortgage and banking companies Lehman Brothers, Merrill Lynch and AIG collapsed, were bought by other institutions, or taken over by the Treasury Department, Congress passed the \$700 billion bailout bill to help rescue major financial institutions.

Maryland Citizens' Health Initiative President Vincent DeMarco, **Greater Baltimore Committee** President Donald Fry and **The Harbor Bank of Maryland** Chairman and President Joseph Haskins testified before the Joint Economic Committee about how the state's banking, business and health industries are affected by the current economic crisis.

"We definitely need to include Main Street" in the economic recovery, Haskins told the Senate and House members.

Haskins said Harbor Bank did not engage in subprime lending and he is not a supporter of big government, but he said he supported the first economic package because "steps needed to be taken" to aid larger banks "for the greater good," in order to bring back consumer confidence.

"We recognize that there was too much fraud, too much misrepresentation," said Haskins.

Now that some larger banks have collapsed, community banks such as Harbor Bank have seen an "increase in delinquent fees" from businesses unable to get credit, Haskins said.

Small businesses and individuals in residential real estate have been particularly vulnerable because the larger banks "have since turned their backs on" them, Haskins said.

Small business is not the only economic sector under stress, said Fry. Transportation and other systems also are in jeopardy.

"We are seeing intolerable congestion" that has led to "more demands for public water, sewers, schools and transportation," said Fry.

According to an **American Society of Civil Engineers** report, \$1.6 trillion is needed to fix the nation's infrastructure, said Fry.

Recently, Maryland Transportation Secretary John Porcari testified before a state committee that three dozen projects worth about \$150 million could begin within 120 days, Fry said, but those and other transportation projects have since been delayed.

The projects "could have an immediate impact" in creating jobs and thus boosting the economy, the GBC president said.

A lack of money and the "failure to appropriately recognize infrastructure investment as a public policy" are reasons for the delay in transportation projects, Fry said.

During questioning, Rep. Elijah Cummings, D-Md., asked DeMarco if he has witnessed an increase in the number of patients forgoing life-saving medical treatment to avoid being a financial burden to their families.

"Yes, at times we do," DeMarco said. There are more than 100,000 uninsured Marylanders, said DeMarco.

A second economic stimulus could help Main Street by putting "more money into Medicaid," DeMarco said.

The Joint Economic Committee released a report on Oct. 29 that determined that "the need for stimulus is urgent," said committee Vice-Chairwoman Carolyn Maloney, D-N.Y., in the opening statements.

"A consumer- or export-led recovery is unlikely because this downturn follows the weakest recovery on record," Maloney said. "Even as the economy expanded over the last eight years, household incomes never recovered from the last recession."

Maloney concluded the hearing by say-



ing the second stimulus would be included in the budget.

After the hearing, DeMarco said 16,000 Marylanders have already benefited from Gov. Martin O'Malley's new health care program and "many thousand are eligible." The stimulus package should increase Medicaid funding to "keep alive" the "wonderful" program, which is at risk due to the economic

downturn, DeMarco said.

Haskins said after the meeting that he hopes any stimulus package would allow his bank to sell off some of its "problem loans." The banking executive said he would also like to access capital to strengthen his bank and allow him to look at other financial institutions that "are not actively participating in the lending policies."

