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Hurricane Katrina Impact Will Accentuate Bad Economic Policy, Says JEC's Senior House Dem

WASHINGTON, DC – At the Joint Economic Committee Democrats and Democratic Policy Committee hearing on the economic impact of Hurricane Katrina today, Rep. Carolyn Maloney (NY-14), Senior House Democrat on the JEC, made the following statement:

“Thank you, Senator Reed. I want to commend you for having this forum to discuss the economic challenges we face in the wake of Hurricane Katrina. This country was on the wrong economic course before Hurricane Katrina, and the tragedy that occurred in the Gulf region has brought the flaws of this Administration’s policies into even sharper relief.

“Senator Reed has laid out the problems. American workers have been left behind in the economic recovery from the 2001 recession – most of the gains from economic growth are showing up in the bottom lines of companies rather than the paychecks of workers. There is widening income inequality in this country – a growing gap between the ‘haves’ and the ‘have nots.’ And finally, there is a completely irresponsible budget policy that has squandered the hard-won fiscal discipline achieved in the 1990s and that has left us with a legacy of deficits and debt.

“Our budgetary problems will not keep us from responding with compassion and the necessary federal dollars to Katrina. But the big challenges will remain. Large budget deficits and a mounting foreign debt will weaken our future standard of living. American workers will face challenges from international competition and rising costs of health care and a college education for their children. And too many Americans will face barriers to even making it into the middle class.

“These are big challenges and that is why I am so pleased that we have such a distinguished panel to help us think them through. Many on our panel were part of the policy process in the 1990s – when large budget deficits were turned into surpluses and the economy experienced its longest economic expansion in our history.”

“Compare that to today, when we have an administration whose economic team has no serious economic policy to speak of. The record that our panel compiled is one to be proud of and I look forward to hearing what they have to say.”

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