

109TH
CONGRESS

Congress of the United States
Joint Economic Committee
Democrats

804 HART SENATE OFFICE
BUILDING
WASHINGTON, DC 20510-6602
202-224-0372
FAX 202-224-5568
www.jec.senate.gov/democrats

For Immediate Release
February 17, 2005

Contact: Nan Gibson
202-224-0377

**PRESIDENT'S ECONOMIC REPORT IGNORES SOCIAL
SECURITY FIX, OTHER MAJOR ECONOMIC ISSUES**

Washington, D.C. – **Sen. Jack Reed** (D-RI), Democratic member of the **Joint Economic Committee (JEC)**, released the following statement responding to the release of the Economic Report of the President by President Bush's Council of Economic Advisers:

“The President's report is interesting for what is left out. There is little or no discussion of Social Security, the trade deficit, the dollar's decline, or stagnant and falling real wages.

“President Bush writes that ‘The greatest fiscal challenges we face arise from the aging of our society.’ Yet his annual Economic Report devotes little more than a page and a half to this subject in a section which also includes a slightly longer discussion of fishing rights.

“As his Economic Report reveals, the President has no real plan to address the fiscal challenges arising from the retirement of the baby boom generation, let alone to fix Social Security. All the President has is an unaffordable plan to create private retirement accounts, with few specifics and many unanswered questions.

“Federal Reserve Chairman Alan Greenspan testified this week that the President's private accounts do nothing to address the solvency of Social Security and they will produce a huge increase in the federal debt without raising national savings.

“Reducing future federal budget deficits is far and away the best way to increase national savings. Curiously, the report contains nothing more than a passing reference to our historic budget deficits as ‘a prudent price’ for stimulating economic growth, when the President's fiscal policies have been anything but prudent.

“Proof of the failed Bush economic policies is provided in the chapter devoted to ‘Expansions Past and Present,’ which essentially confirms that employment growth and both business and residential investment in the recovery during the President's first term were even worse than they were in the weak 1990 expansion.”

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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