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For Immediate Release
February 13, 2006

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**Senator Jack Reed's Statement on the 2006
Economic Report of the President**

Washington, D.C. – *Today, Sen. Jack Reed (D-RI), Ranking Democrat on the Joint Economic Committee, released the following statement regarding the 2006 Economic Report of the President:*

“The Economic Report of the President analyzes many key aspects of the U.S. economy but reveals little about how the President’s policies would actually help average families or bring down the deficit. There is a disconnect between the analysis in this report and the President’s policy priorities.

“The centerpiece of the President’s message to Congress is the benefits of making his tax breaks for the wealthiest permanent, yet there is no analysis in the report to justify that claim.

“The report tells us why energy prices are high, but we see no proposal from the President to bring relief to the majority of American households who find their budgets squeezed by rising energy costs on the one hand, and stagnation in their take-home pay on the other.

“The President’s report extols the benefits of trade, but the focus is on the long run. While the report acknowledges that ‘any job loss involves hardship, and any job change can involve challenge,’ the President has no meaningful plan to address the problems of those who are hurt by trade.

“The report has a whole chapter devoted to the large U.S. international payments imbalance and low national saving rate, including an acknowledgement of federal government dissaving as the federal budget balance went from a surplus equivalent to 2.4 percent of GDP in 2000 to a deficit equivalent to 3.6 percent of GDP in 2004. But President Bush’s FY 2007 budget proposals would increase the size of the deficit rather than reduce it.

“Unfortunately, middle- and lower-income families are paying the price for the President’s tax cuts for the wealthiest, as programs that help ordinary Americans cope with economic or health insecurity have become candidates for budget cutting while the deficit and debt continue to get worse.”

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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