



JOINT ECONOMIC COMMITTEE DEMOCRATS



SENATOR JACK REED (D-RI) - RANKING DEMOCRAT

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Senator Jack Reed's Statement on the FY06 Budget Deficit

Washington, D.C. – Today, **Sen. Jack Reed (D-RI)**, Ranking Democrat on the **Joint Economic Committee**, released the following statement regarding the Treasury Department's announcement of the FY06 federal budget deficit:

“No matter how rosy a picture the Bush administration tries to paint, neither the present nor the future fiscal outlook seems terribly bright. We are still adding to the federal debt at a time when we should be saving for the future.

“Let's not forget that a \$5.6 trillion 10-year projected surplus from 2002 to 2011 has turned into a deficit of almost \$3 trillion, based on actual deficits so far and on CBO baseline projections for the remaining years. Realistically, the 10-year deficit is probably much higher than that, because this Administration has a history of leaving out big ticket items such as war costs or fixing the alternative minimum tax in its projection of future budget deficits.

“Instead of sound budget policies aimed at preparing for the imminent retirement of the baby-boom generation, the Bush administration and the majority in Congress have refused to adopt the kinds of budget enforcement rules that helped achieve fiscal discipline in the 1990s. They have pursued an open-ended commitment to rebuilding Iraq that relies on supplemental appropriations rather than the normal budget process. They have mortgaged our future to foreign investors and foreign governments and damaged our international competitiveness. And they have remained committed to extending irresponsible tax cuts that will add further to the budget deficit.

“That's why the President's message that the economy is doing well and tax cuts are the reason why is not resonating with the American people. The current economic recovery has been weaker than the typical business-cycle recovery since the end of World War II, and large numbers of Americans are still waiting to benefit from the economic growth that we have seen.

“Too many Americans are being squeezed by stagnant incomes and high costs for gasoline, health care, and education and the tax cuts aren’t making up for it. That’s why we need a new direction for America – one that focuses on creating greater economic opportunities for all families.”

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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