



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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NEW REPORT DOCUMENTS BROAD WEAKNESS IN THE U.S. ECONOMY -DEEPENING SLOWDOWN DEMANDS MACROECONOMIC POLICY CHANGES-

WASHINGTON, D.C. – A new report on current economic conditions showing broad weakness and increasing vulnerability to economic shocks was released by incoming Joint Economic Committee (JEC) Chairman Jim Saxton today . The new JEC paper, *Economic Performance and Outlook*, examines the recent slowdown in GDP growth, investment, consumer spending, declines in manufacturing output and employment, and steep increases in energy prices.

“The economic situation continues to deteriorate, making the U.S. economy evermore vulnerable to shocks and disruption,” Saxton said. “This report shows that the weakness in the economy is quite broad and is deepening in certain sectors, such as manufacturing. Changes in U.S. macroeconomic policy are needed to address the economic slowdown that has been gathering force since last summer.

“As I have suggested, Federal Reserve monetary policy should not remain as tight, and the tax burden on the economy should be reduced. The Fed has reacted aggressively in monetary policy, and Congress now should act quickly on needed tax policy changes.

“Congress must respond and lessen the counterproductive drag on the economy imposed by excessive taxation. Tax rates remain too high, and the bias against saving and investment remains a central feature of our income tax system. The prospects for reducing the drag of excessive taxation on our economy appear to be excellent, and this would help contain the slowdown and enhance the economic recovery,” Saxton concluded.

For research on the Federal Reserve policy and current economic conditions, please visit our website at www.house.gov/jec.

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