



Congresswoman

Carolyn **Maloney**

Reports

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**GREENSPAN BEFORE CONGRESS;
SUBCOMMITTEE RANKING MEMBER MALONEY
PANS ADMINISTRATION'S JOBS RECORD,
CALLS BUDGET PROPOSAL "TOTAL FICTION"**

WASHINGTON, DC – Federal Reserve Chairman Alan Greenspan testified today at the House Financial Services Committee's Humphrey-Hawkins hearing. Rep. Carolyn Maloney (NY-14), Ranking Member on the Subcommittee on Domestic and International Monetary Policy, Trade and Technology, used her opening statement to pan the Administration's job creation record and the President's budget proposal. She delivered the following statement:

"Good morning Chairman Greenspan.

"As Americans watch the hearing today, their greatest economic concerns are the loss of 3 million private sector jobs and a record breaking \$521 billion deficit.

"Despite improvement in some economic statistics, including GDP growth, the economy continues to perform extraordinarily poorly for the many people without jobs and for the large number of people with jobs who aren't enjoying any wage growth.

"The Fed has done its part by putting its foot on the gas.

"The federal funds rate is effectively zero (one percent with one percent inflation), but we still have a net job loss of 2.2 million jobs, and President Bush is on track to be the first President since Herbert Hoover to end his term with fewer jobs than when he started.

"The President claims to have a plan for both the jobs crisis and the deficit.

“The Administration now says 2.6 million jobs will be created this year and that their budget will cut the deficit in half in five years.

“Yet, a year ago, the Administration estimated that nearly 2 million jobs would be created in the second half of 2003, and only 200,000 were produced. Even worse, the President’s chief economist is now praising the outsourcing of U.S. jobs to foreign countries. Headlines across the country responded with astoundment this week reading “Bush Supports Shift of Jobs Overseas.”

“On the spending side, the President’s new budget is a total fiction.

“Already the claim that it will cut the deficit in half in five years has been panned by - Goldman Sachs, the Concord Coalition, the Committee for Economic Development and Decision Economics - all of whom continue to forecast \$500 billion deficits into the future.

“The Administration claims it will control spending by limiting domestic discretionary spending to under 1% this year - but domestic discretionary spending is only 15% of the entire budget - not enough to make a serious impact.

“The budget also totally misleads by leaving out spending we know is coming including:

- post-election funding for our troops in Afghanistan and Iraq;
- the long term cost of the President’s number one domestic priority - making tax cuts permanent;
- the cost of fixing the Alternative Minimum Tax;
- the President’s Mars space initiative, and more.

“Chairman Greenspan, I hope you will address the problems of the job deficit and budget deficit at length in your testimony today.

“Thank you.”

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