

**Wally
Herger**
Congressman

2nd District - California



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CONTACT: DARIN THACKER
(202) 225-3076

Pro-Growth Policies Prompt Diminishing Deficit Forecast

(WASHINGTON, D.C.) - Congressman Wally Herger today commented on the Office of Management and Budget's (OMB) "Mid Session Review," which reported that its deficit forecast for this fiscal year has declined by \$127 billion. Herger had the following reaction to this report:

"Today's announcement by the Office of Management and Budget further demonstrates that extensive tax relief passed since 2001 is triggering business investment, entrepreneurship, and strong job creation--leading to surging tax revenues and a reduced budget deficit," Herger stated.

"Because of these pro-growth policies, since May 2003 our economy has grown at an average quarterly rate of 4%. Over 5.4 million new jobs have been created, incomes have risen, and our nation's unemployment rate has fallen to 4.6%. The people of Northern California and the rest of America have been the beneficiaries of this substantial economic expansion."

Herger concluded, "Despite this tremendous progress, more work remains in balancing the federal budget. Instead of raising taxes, I will continue to support pro-growth tax policies. Equally important, I will continue to support efforts to eliminate federal spending on wasteful programs and to responsibly address out-of-control and unsustainable growth in entitlement spending. This will help us leave our children and grandchildren with a nation that's in sound financial health."

OMB reported that this year's budget deficit is now forecast to be \$296 billion, or 2.3 percent of our economy (GDP). This is equal to the historical average. It also indicated that revenues grew by a dramatic 14.5% last year and are forecast this year to grow by \$245 billion, or 11.4%.

For more information, log on to <http://www.house.gov/herger> on the Internet!