

NEW REPORT SAYS REPUBLICAN PLAN WOULD COST 700,000 JOBS



According to a report issued by Mark Zandi, an economic adviser to John McCain's presidential campaign and one of the architects of the stimulus, Republican plans to slash spending could cost as many as 700,000 jobs over the next year. Congressional Republicans have been quick to dismiss the report and to discredit Zandi by linking him to the stimulus, but Zandi is bolstered by another report issued by Goldman Sachs last week. The Goldman report is even more critical of the Republican spending cuts saying that they would slow economic growth by up to 2 points in the second half of this year. Republicans argue that reduced federal spending, which would both directly and indirectly cause layoffs, would encourage entrepreneurial investment by removing the worry of increased taxes, thus increasing overall unemployment. So far they have been unable to come up with an independent economic analysis that backs this argument.

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