



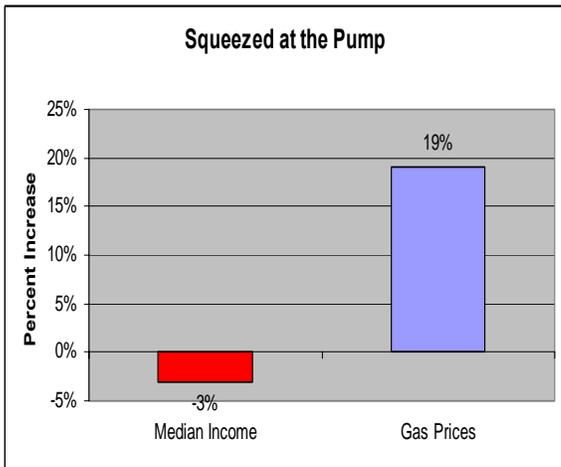
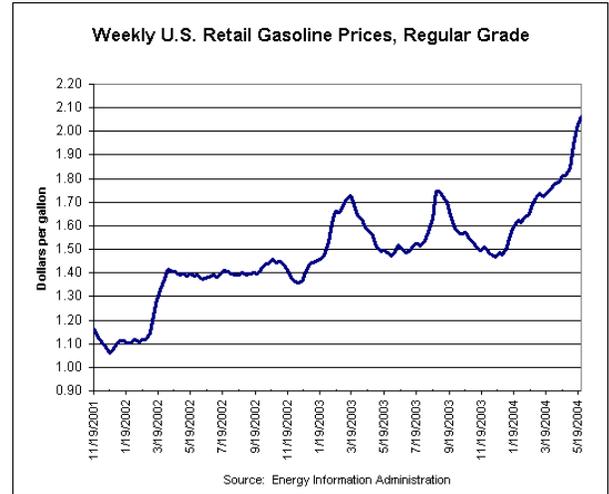
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Prices at the Pump: The Bush Gas "Tax"

► Summary: After three months of record high gas prices, middle class families are feeling squeezed by prices at the pump. Experts agree that high gas prices are the equivalent of a tax on consumers, wiping out any benefits of the Bush tax cuts for middle class families.

After three months of record high gas prices across the country, the average cost of a gallon of gasoline is now \$2.10, the highest average on record in dollar terms, according to the Lundberg Survey. In the past two weeks alone, gas prices have increased 14 cents a gallon. Skyrocketing gas prices are a "tax" on middle class families, taking money out of their pockets each time they fill up at the pump.

According to *Fortune Magazine*, gas price increases since the beginning of the year have cost American consumers \$35 billion, much more than the \$15 to \$20 billion middle class consumers got from the Bush tax cuts this April. And if gas prices stay high, as experts predict, consumers will lose another \$50 billion over the next year due to higher prices at the pump.



Already families are feeling the pinch of higher prices, and the summer driving season has just begun. A recent National Retail Federation survey found that nearly 20 percent of families with annual incomes below \$50,000 reported that they had to cut back on grocery spending due to higher gas prices. Among families earning over \$50,000 a year, more than one quarter reported that they had cut back on travel, and 15 percent spent less on clothing for their families.

Rising gas prices translate into higher prices on consumer goods and services across the board, further squeezing family budgets by ratcheting up the cost of groceries, travel, and countless other manufactured goods.

Candidate George Bush promised in 2000 to "jawbone" OPEC if elected president to keep oil prices down. But there is no evidence he has fought for lower oil prices and it is clear that he has no plan for lower gas prices. The Bush/Republican energy bill, which is stalled in Congress, would only increase gas prices, according to the Administration's estimates.

And that's another reason why we call it the "middle class squeeze."

Each week, the **Middle Class Squeeze** looks at different aspects of how Bush Administration and congressional policies are failing the middle class. For more information, please call 202-225-2095 or visit www.house.gov/georgemiller.

Feeling squeezed? Send us an email about it: middleclasssqueeze@mail.house.gov