

## **U.S. economists see budget gridlock blocking growth: survey**

WASHINGTON, Aug. 13 (Xinhua) -- Most U.S. economists had little faith that a divided Congress would adequately address looming tax increases and spending cuts, significantly hampering economic growth next year, a survey conducted by USA TODAY revealed on Monday.

The standoff in Washington, along with the global economic slowdown, was threatening the U.S. economy that otherwise would be gaining steam on a strengthening U.S. housing market and improving private-sector balance sheets, economists said. About 53 percent of the surveyed economists did not think the Congress would be able to lessen the impact of 560 billion U.S. dollars in tax increases and spending cuts, set to take effect by the end of this year, a scenario dubbed as the "fiscal cliff". The U.S. Congressional Budget Office has warned that the so-called fiscal cliff would slice up to 4 percentage points off U.S. economic growth next year, causing the economy to contract in the first half, if all the deficit-slicing measures occur at once. Economists held that the fiscal cliff has created uncertainty among businesses and consumers. About 55 percent of these economists predicted lawmakers would extend the deadline for reaching a deal to early next year, when a new Congress, and possibly a new president, take office. The survey of 50 leading economists was conducted on Aug. 3-8.