

SENATE BUDGET COMMITTEE

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STATEMENT BY SENATOR KENT CONRAD (D-ND) ON FY 2007 OMB MID-SESSION REVIEW

Anyone celebrating today's deficit announcement is missing the bigger picture. The long-term deficit outlook is bleak, the nation's debt continues to pile up at an unsustainable rate, and the Bush administration has done nothing but make it all much worse.

Despite claims that the deficit is coming down, it is still projected to explode over the long-term as the rising cost of the President's tax cuts collide with the coming retirement of the baby boom generation. Is that the good news being celebrated by some today?

Meanwhile, the debt continues to soar. When we add in the Social Security and other trust fund dollars being spent, the debt in 2006 will actually increase by \$593 billion. That is \$42 billion worse than the debt increase last year. Is that what some are now celebrating?

On the issue of revenue, real revenues – that is, adjusted for inflation – have experienced little growth since 2000. In other words, despite claims that revenues are pouring into the federal treasury due to the President's tax cuts, real revenues have only this year surpassed where they were six years ago. And revenues in 2006 are still far below the original projections for revenues for the year. Perhaps that is what they are celebrating?

The cheering is really about distracting – distracting the American people from what is really going on with our nation's budget. The Bush administration, with the help of the Republican Majority in Congress, has increased spending while dramatically cutting revenues. And the result has been an explosion of deficits and debt.

The American people deserve better. They deserve an honest assessment of our long-term budget outlook. And they deserve a real plan to put our fiscal house back in order.

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