

SENATE BUDGET COMMITTEE

KENT CONRAD, RANKING MEMBER

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STATEMENT BY SENATOR KENT CONRAD (D-ND) ON CBO JANUARY 2006 BUDGET OUTLOOK

CBO's new budget outlook shows debt continues to explode. Issued just weeks before the federal government is projected to again run up against the federal debt limit, a realistic examination of CBO's report shows that the deficit and debt are actually getting worse.

In addition to showing a worsening of the deficit in 2006, CBO's report also shows a deteriorating long-term deficit outlook, once omitted costs are factored in. When we add in some of the items not included in CBO's ten-year baseline estimate, such as the cost of making tax cuts permanent, Alternative Minimum Tax reform, and the President's proposed defense buildup, we see growing deficits and exploding debt as far as the eye can see.

Unfortunately, instead of taking meaningful steps to restore fiscal responsibility, the Bush administration continues to hide the nation's true fiscal condition from the American people. It's interesting that the Treasury Secretary chose to wait until December 29, during the Christmas and New Year's break, to send Congress the Bush administration's fourth request for an increase in the debt limit. If the \$781 billion debt limit increase currently being considered is adopted, the debt limit will have been increased by more than \$3 trillion since President Bush took office. Sadly, unless we change course dramatically, that will be the real legacy of this administration.

We cannot continue to borrow to provide higher spending and tax cuts. It is time to start paying our bills, instead of passing them on to our children and future generations.

I hope that the Bush administration will take this CBO report to heart and finally get serious about confronting our nation's fiscal imbalance. The State of the Union address next week will provide a good opportunity to reach across the aisle to find a truly bipartisan solution to this problem. I stand ready to work with the Bush administration and congressional Republicans, if they're willing to make the tough choices that will be required to put our fiscal house back in order.

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