

SENATE BUDGET COMMITTEE

KENT CONRAD, CHAIRMAN

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STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN KENT CONRAD (D-ND) ON CBO JANUARY 2010 BUDGET AND ECONOMIC OUTLOOK

“CBO’s new projections again highlight the fiscal mess handed to President Obama. A severe recession and the federal response to it, two costly wars, and the large unpaid-for tax cuts of the Bush era have left us in a deep hole of debt that will take years to dig out of.

“CBO is now showing the deficit in 2010 will be \$1.35 trillion, roughly unchanged from last year. While the deficit is expected to fall for several years after that, we can expect it will begin climbing again as the bulk of the baby boom generation retires and health care costs continue to rise. Unfortunately, even if the Senate-passed health reform bill, or something like it, is adopted, the result would be only a modest improvement in the nation’s long-term budget picture.

“President Obama has signaled his determination to begin addressing both the near-term and long-term fiscal challenge – announcing a spending freeze in his budget this year and throwing his support behind the statutory Bipartisan Fiscal Task Force I have proposed along with Senator Gregg (R-NH).

“Our first priority must remain getting our economy back on track and creating jobs for the American people. But we should be establishing the mechanisms and identifying the policies now that will close the fiscal imbalance in the years ahead, after the economy has more fully recovered.

“I urge my colleagues to support the creation of a special bipartisan process to address this long-term challenge. Now is the time for us to come together on this issue. We need to set aside partisan and jurisdictional concerns and work together on a bipartisan solution that puts us back on a sound long-term fiscal course.”

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