

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
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**STATEMENT BY SENATOR KENT CONRAD (D-ND) ON
CBO'S REESTIMATE OF PRESIDENT BUSH'S FY 2005 BUDGET**

CBO's numbers provide further confirmation that President Bush has taken our country on an utterly reckless fiscal course. CBO shows why the President tried to hide the true effect of his budget from the American people. By providing deficit estimates for the full ten years, CBO demonstrates that the President's policies will keep this country deep in deficit and debt for as far as the eye can see.

Not only will the budget never reach balance under the President's plan, when viewed on an operating basis – that is, when Social Security is excluded – the President's annual deficits will never be less than \$447 billion and will exceed \$5.1 trillion when viewed on a cumulative basis over the period 2005-2014.

President Bush's claim that he will cut the deficit in half in five years is fantasy. He can only reach that conclusion by leaving out large expenses that we all know are coming. He leaves out the fact that he is taking every penny of the Social Security surplus over the next ten years – \$2.4 trillion – to pay for his tax cuts and other spending – money that must be paid back. He leaves out the full cost of extending his tax cuts, which reach \$1.6 trillion (including interest effects) over the ten-year period, 2005-2014. He leaves out the full cost of reforming the Alternative Minimum Tax, which will reach about \$650 billion over that period – instead providing only a one-year patch. And he leaves out the cost for ongoing military operations in Iraq, Afghanistan, and the continuing war on terrorism, which CBO estimates could reach \$280 billion over the ten years.

Does anyone really believe that the operations in Iraq, Afghanistan, and the war on terrorism will neatly end at the conclusion of this fiscal year on September 30? Yet, that is exactly what the President assumes in his budget. It is simply not a serious document.

CBO's numbers show the real story. Instead of cutting the deficit in half, the President's policies will lead to an explosion of debt, with gross federal debt reaching almost \$13.9 trillion by the end of the ten-year budget window in 2014. The President doesn't want the American people to know it, but that is what will really happen under his budget.

And all of these deficits and debt are accumulating at the worst possible time, just as the baby boom generation is about to begin retiring. The President's budget is a recipe for fiscal disaster. It is long past time that we put this country on a different course.

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