

SENATE BUDGET COMMITTEE

KENT CONRAD, RANKING MEMBER

FOR IMMEDIATE RELEASE
October 6, 2005

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STATEMENT BY SENATOR KENT CONRAD (D-ND) ON REVISED CBO FY 2005 DEFICIT ESTIMATE

Today's revised deficit estimate from CBO is nothing to cheer about. A \$317 billion deficit still represents the third worst deficit in our nation's history. And when the Social Security and other trust fund surpluses also being spent are added in, the debt in 2005 will actually increase by \$575 billion.

The cost of recovering from Hurricanes Katrina and Rita will add to the deficit in 2006 and beyond. The administration's slow response in getting aid to those impacted by the storms has meant that relatively few of the federal dollars committed to relief have actually been spent so far. As a result, we can expect the deficit to be even worse than expected in 2006 and later years, as aid finally gets out the door and recovery projects get underway.

While the hurricane response costs will have a short-term impact on the deficit, our primary concern should be over the longer-term outlook. The current Republican budget plan takes us further down the road of deficits and debt. It calls for spending cuts in areas that affect our most vulnerable citizens, but then adds to the deficit by cutting taxes for our most fortunate. Clearly, we need to change those priorities and adopt a more sound fiscal course.

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