



Don Nickles, Chairman
Contact: Gayle Osterberg 202-224-6011

STATEMENT FROM SENATE BUDGET CHAIRMAN DON NICKLES

RE: Mid-session review of budget outlook

“The deficits forecast in today’s report are uncomfortably high. They in part reflect the critical investment that had to be made in response to the recession and terrorist attacks against our country, as well as an unprecedented three-year decline in revenues.

“Anticipated revenues have fallen short of projections by \$66 billion since February. It was vitally important we pass the jobs and growth bill. It was the right policy at the right time and it is starting to work.

“Since the President introduced his economic plan in late February, individual investors and businesses have recovered \$1.8 trillion of equity as markets have edged upward. The Blue Chip’s economic forecast last month was revised upward for the remaining quarters of 2003 and into 2004. That will turn capital losses into capital gains, encourage growth and boost investment, translating into more federal revenues.

“Revenues are only one side. Spending has surged as well, primarily due to the war on terrorism. Looking ahead it is important we control federal spending, including mandatory proposals like the Medicare prescription drugs bill and highway authorization, as well as future appropriations bills.”