

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
KENT CONRAD, RANKING MEMBER

FOR IMMEDIATE RELEASE
May 6, 2004

Contact: Stu Nagurka (202) 224-7436
Steve Posner (202) 224-7925

**STATEMENT BY SENATE BUDGET COMMITTEE RANKING MEMBER
KENT CONRAD (D-ND) ON CBO MONTHLY BUDGET REVIEW**

Thanks to President Bush's irresponsible tax and spending policies, the government this year will post the largest budget deficit in our nation's history. CBO's new analysis of Treasury data indicates that the 2004 deficit is likely to surpass last year's record deficit by at least \$60 billion. That is not progress and that represents nothing to cheer about. The deficit is getting worse, not better.

CBO's analysis – as disturbing as it may be – continues to understate the extent of our fiscal deterioration, because it fails to account for the Social Security and Medicare funds that are also being borrowed to pay for other things, but that will have to be paid back. The true operating deficit in 2004 is likely to exceed \$600 billion.

And it is also important to note that, although our short-term deficit outlook is disturbing, it is the deterioration of our long-term fiscal picture that should raise the most concern with the coming retirement of the baby boom generation.

It wasn't long ago that the government posted four straight years of surpluses. The Bush administration quickly put a stop to that by insisting on enacting large deficit-financed tax cuts, while at the same time increasing spending. The result has been a fiscal disaster with record deficits and exploding debt. If anything, the deficit estimates we are seeing today highlight the stunning failure of President Bush's fiscal leadership.

- END -