

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
KENT CONRAD, RANKING MEMBER

FOR IMMEDIATE RELEASE
February 2, 2004

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

STATEMENT BY SENATOR KENT CONRAD (D-ND)
REACTING TO PRESIDENT BUSH'S FY 2005 BUDGET

This budget is further proof that President Bush is the most fiscally irresponsible President in our nation's history. He is now projecting a \$521 billion deficit for this year – the biggest ever. To put that number in perspective, it means that every minute, the Bush administration is spending \$991,000 more than it takes in.

But even with these record deficits, President Bush is still not telling the full story of the seriousness of our budget deterioration. He isn't telling people that his budget takes every penny of the Social Security surplus to pay for his tax cuts and other spending. He isn't showing what his policies do to the budget beyond the next five years. And he isn't telling people that his budget leaves out trillions of dollars of additional costs. For example, his budget:

- hides the effect of extending his tax cuts in the years after 2009 (The full cost over the 2005-2014 period is expected to reach \$1.6 trillion, including interest.);
- leaves out funding for ongoing operations in Iraq and Afghanistan, including another war supplemental, which is expected to cost at least \$50 billion in 2005;
- ignores the cost of permanently fixing the alternative minimum tax, which will total \$658 billion, including interest, for the period 2005-2014 if the President's tax cuts are extended (and which is necessary so that more than 40 million Americans are not unexpectedly hit with paying higher taxes under the AMT); and,
- does not address the cost of providing for the retirement of the baby boom generation, despite the fact that 48 million Americans will be receiving Social Security benefits in 2014.

By leaving out these costly items, President Bush is playing 'hide the ball' with the nation's finances. His budget is incomplete and misleading. The President is simply not leveling with the American people.

This administration not only owes the country an honest budget, but a frank dialogue about the serious fiscal challenges that lie ahead. By avoiding the issue and hiding the long-term implications of the President's reckless tax cut and spending policies, this administration is doing a great disservice to all Americans, particularly our children and grandchildren who will be saddled with trillions of dollars of debt.

- END -