

**SENATE BUDGET COMMITTEE**  
**DEMOCRATIC CAUCUS**  
**KENT CONRAD, RANKING MEMBER**

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

**STATEMENT BY SENATOR KENT CONRAD (D-ND)  
ON CBO JANUARY BUDGET OUTLOOK UPDATE**

The latest numbers from the Congressional Budget Office are further evidence of how far and how fast our nation's finances have deteriorated over the past four years. While some may claim that the budget outlook is improving, a realistic examination shows otherwise.

CBO's baseline figures understate the actual deficits we face. For example, CBO's new 2005 baseline deficit estimate of \$368 billion leaves out the \$80 billion Iraq war supplemental the administration is expected to request this year, as well as tsunami relief.

The same is true when we look at CBO's ten-year baseline figures. It is important to remember that CBO's ten-year numbers leave out the cost of making the President's tax cuts permanent, AMT reform, the President's proposed defense buildup, and ongoing war costs. When those expenses are factored in, we see a sea of red ink.

The nation's financial woes can be directly attributed to the irresponsible fiscal policies of this administration. It seems that the President's solution to every problem he faces is to borrow more money and add to the nation's debt.

When he faced a sluggish economy, his solution was to borrow trillions of dollars to fund large permanent tax cuts primarily benefitting the wealthiest. When he faced the supposed existence of weapons of mass destruction in Iraq, his solution was to borrow hundreds of billions so far to fund a war in that country. And now, to address the long-term demographic problems confronting Social Security, he wants to borrow an additional \$1.9 trillion to fund the creation of private accounts.

There is a better way. We need to come off this borrowing binge and return to a path of fiscal responsibility. We can strengthen Social Security without driving the nation further into debt and threatening to undermine the nation's economic security.

I stand ready to work with this President and the Republican Majority in Congress to put our country's finances back in order. A bipartisan solution to these problems is within reach. But we need real leadership from this President to make that happen.

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