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Matheson statement on CBO long-term budget outlook

Blue Dog co-chair urges bipartisan cooperation on fiscal reform commission

Washington, DC – Today, Representative Jim Matheson (D-UT), Blue Dog Co-Chair, issued the following statement after the nonpartisan Congressional Budget Office (CBO) released its latest report on the nation’s long-term budget outlook.

“We can no longer put off addressing the nation’s fiscal crisis. The bills are now coming due, and failure to put in place realistic budget enforcement mechanisms to cut and restrain the growth in federal spending will only make the tough, necessary decisions harder to achieve in the future.

“Today, the National Commission on Fiscal Responsibility and Reform is holding its first open meeting. The Blue Dogs have long championed the creation of a bipartisan commission tasked with examining our nation’s long-term fiscal health, and we fully support its objectives. We also understand that a problem the size of our federal debt requires a comprehensive and serious set of policy solutions, and as such, all different views and ideas should be on the table.

“Restoring fiscal discipline to our federal government is not going to be easy, and success will require Members on both sides of the aisle to rise above partisan politics and put forth their best ideas. The problem is not a Democratic one or a Republican one; nor should the solution be.”

In its report, CBO indicates that failure to address our long-term fiscal challenges would have significant negative effects on the economy:

- Large budget deficits would reduce national savings, leading to higher interest rates, more borrowing from foreign countries, and less domestic investment—which in turn would lower income growth here at home.
- Growing debt would reduce lawmakers’ ability to respond to economic downturns and other challenges.
- Over time, higher debt would increase the probability of a fiscal crisis in which investors would lose confidence in the government’s ability to manage its budget, and the government would be forced to pay much more to borrow money.

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