

# SENATE BUDGET COMMITTEE

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## KENT CONRAD, CHAIRMAN

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### **STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN KENT CONRAD (D-ND) ON CBO JANUARY 2008 BUDGET AND ECONOMIC OUTLOOK**

“CBO’s new projections show that the deficit will worsen in 2008. This short-term deterioration is due, at least in part, to our slowing economy. And it is important to note that CBO’s baseline projections actually understate the likely short-term deficit levels, because they exclude expected costs such as a stimulus package and additional war funding requested by President Bush. Once these costs are added in, the deficit in 2008 is likely to exceed \$350 billion, and the debt is likely to increase by over \$600 billion.

“CBO’s ten-year projections show an explosion in federal deficits and debt if we continue to follow the President’s deficit-financed tax and spending policies. We cannot afford to continue on this course.

“CBO’s forecast reinforces the need for a carefully-crafted, quickly-timed, and temporary stimulus package that can boost the economy without worsening our long-term budget picture. We need to work together on a bipartisan basis to provide fiscal stimulus that complements actions taken by the Federal Reserve. But it is vital that we do nothing that worsens our already unsustainable long-term outlook of deficit and debt.

“In addition to developing a bipartisan stimulus package, we also must work together to tackle the long-term fiscal challenges we face with the coming retirement of the baby boom generation. The American people rightly expect that we will come together to address these two significant challenges.”

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