

SENATE BUDGET COMMITTEE

KENT CONRAD, CHAIRMAN

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STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN KENT CONRAD (D-ND) ON CBO SUMMER BUDGET UPDATE

“The next President will be inheriting a budget and economic outlook that is far worse than most people realize. President Bush and his Republican colleagues are handing off a fiscal mess to the next Administration. They have plunged our nation into a chasm of deficits and debt. And their irresponsible fiscal policies are leaving behind an economy that is weak and getting weaker. This Administration and its backers just don’t get it. They are oblivious to the reality we confront.

“CBO’s summer budget update confirms that we will have record-high deficits. Meanwhile, the federal debt will grow at an unsustainable rate, which means more borrowing from China, more borrowing from Japan, and more borrowing from oil exporters like Saudi Arabia. And it means a further erosion of American living standards and a further undermining of our nation’s economic security.

“Our economy is struggling. We have lost more than 750,000 private-sector jobs since the start of the year. Over the past six months, the unemployment rate has risen at its steepest pace in more than 25 years – and now stands at 6.1 percent. Nearly one in 10 of all residential mortgage loans are now delinquent, if not already in foreclosure. And even as their incomes and wealth are diminishing, households are facing sharp increases in energy and food costs.

“It couldn’t be clearer that we need a new fiscal course for the country. We have seen enough of tax cuts for the wealthiest, enough of billions spent in Iraq, enough of a weak economy, and enough of the middle class being squeezed. More of the same won’t cut it. We need a change in policy. And we need it sooner, rather than later.”

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