

# COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

## PRESS RELEASE

**FOR IMMEDIATE RELEASE**

February 9, 2005

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## PRESIDENT'S BUDGET LOOKS MORE RESPONSIBLE THAN IT IS REALISTIC

**Washington** – The Committee for a Responsible Federal Budget commented today that the White House deserves credit for a number of elements of its FY 2006 budget, including:

- Elevating the issue of deficit reduction.
- Keeping a tight rein on domestic discretionary spending.
- Putting mandatory spending programs on the table. (Budgeting is about making choices. No program should be on “automatic pilot”.)

At the same time, there are a number of important shortcomings in the budget:

- The cost of the Administration's most important initiatives are omitted.
- The five-year window paints a misleading picture since the bulk of the costs of major initiatives, including making the tax cuts permanent and Social Security reform, would fall beyond that time frame.
- Under this budget, deficits would start to grow again beyond the five-year window.
- Given that we are on the eve of the Baby Boom's retirement, our fiscal goal should be more than cutting the deficit in half. Such a timid goal hardly sets us up to deal with the tremendous retirement and healthcare costs around the corner.

“Budgets lose their usefulness if you can pick and choose what to include,” said Maya MacGuineas, President of the Committee for a Responsible Federal Budget.

“While we commend the President for submitting a budget that is responsible on the spending side and includes restraining entitlement programs as well as discretionary spending, it will take a good deal of political capital to get this budget through Congress. It is hard to imagine the President will have enough time to ensure that such tough spending targets are met. With Social Security reform, tax reform, tort reform, immigration and ongoing security issues on the agenda, his plate is already quite full.”

MacGuineas added, “We need to develop a long-term plan to put the country on a sustainable fiscal path. Deficits that dip down and then soar up again will not calm jittery financial markets, which are worried about how we plan to pay our mounting bills.”

*The Committee for a Responsible Federal Budget is a bipartisan organization committed to educating the public about issues that have significant fiscal policy impact. The Co-Chairs of the Committee are Bill Frenzel and Leon Panetta. The Committee is located at the New America Foundation. For more information, go to [www.CRFB.org](http://www.CRFB.org).*

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