

News from U.S. Rep. John Spratt (D-SC)

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Spratt Statement on the State of the Union

WASHINGTON – U. S. Rep. John Spratt (D-SC) issued the following statement on the State of the Union.

“President Bush took office with an advantage no president in recent times has enjoyed, a budget in surplus by \$126 billion in 2001. His Office of Management and budget looked out over the next ten years and saw nothing but surpluses, \$5.6 trillion in all. Since then, the bottom line of the budget has moved \$9 trillion in the wrong direction. The deficit for 2003 hit a record high, \$375 billion. The deficit for 2004 will top that and approach \$500 billion. The Administration dismisses these deficits as ‘manageable,’ but chronic deficits crowd out private investment, push up interest rates, and slow down economic growth.

“It is becoming clear that this Administration has no plan to eliminate these deficits. The Administration claims that the forthcoming budget will cut the deficit by half over the next five years, but the projected starting point is about \$500 billion. Even if this objective is attained, it would leave annual deficits of hundreds of billions of dollars. Indeed, in the face of large growing deficits, the President proposes yet another round of tax cuts that will drive the budget still further into deficit. At the same time, the Administration supports new and costly commitments – such as the plan to send humans to Mars – while putting in its budget only a token commitment to what these projects will cost.

“The President has justified his deficit-financed tax cuts on the grounds that they will create jobs. But over the last three years the Administration’s tax cuts and budgets have not created new jobs. The economy has lost 2.9 million private-sector jobs since President Bush took office.

“Meanwhile, deficits and debt service make it harder to advance our priorities. The President touts the “No Child Left Behind” Act, but his budget funds the program far below the levels needed to improve student achievement. The Administration professes a commitment to improving retirement security, but uses the Social Security trust fund to pay for its tax cuts.

“This Administration has built a fundamental mis-match into the budget; it has instituted small government taxes and big government spending. With a deficit approaching \$500 billion, one would hope for less fiscal denial and more fiscal discipline in this year’s State of the Union. Deficits do matter; and the sooner we put the budget back on path, the better our union will be.”

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