



Senator Feinstein's Statement on President Bush's FY2006 Budget
February 7, 2005

“With the extraordinary costs of the war in Iraq and Afghanistan and making his tax cuts permanent, the only way President Bush can even provide an appearance of bringing the budget into balance is to make substantial and dramatic cuts in domestic spending.

As a result, local law enforcement, health care, education, community development block grants and transportation – programs that are vital to our nation and provide the mainstay of our infrastructure, refurbishment and expansion – experience major cuts in the President’s budget.

President Bush claims to be taking our nation down the road toward cutting budget deficits in half, but an examination of his budget demonstrates that when all the costs are included the deficits will grow even larger under his spending plan, burdening our children and their children with huge tax bills to pay down the debt.

On one hand, President Bush, has declared that Social Security is in a crisis because long-term costs could top long-term revenue, however, he proposes taking \$170 billion from the Social Security trust fund to help balance the budget in FY2006 alone – and more than \$2.5 trillion over the next decade. I find this form of budget balancing deeply troubling. If these funds were left in the trust fund, they would go a long way toward helping preserve the program for seniors.

At the same time, the President wants to make his tax cuts permanent at a projected cost of more than \$1.9 trillion over the next decade, and \$11 trillion over the next 75 years. I strongly oppose making these tax cuts permanent and believe it is fiscally irresponsible and will result in huge, ballooning deficits.

Overall, this President has presided over the greatest fiscal reversal in our nation's history – leading us from a \$5.6 trillion 10-year budget surplus when he took office to a projected \$6.2 trillion projected debt at the end of five years, based on the new budget.

In FY2005 alone, the White House Office of Management and Budget believes the deficit will be \$427 billion. Add in the upcoming Supplemental Appropriations request of \$80 billion for Iraq and Afghanistan and the nation's annual budget deficit soars past a half-trillion dollars. When President Bush presented his first Budget in 2001, he committed to retiring \$1 trillion in debt over the next four years, but this commitment has turned to dust.

The President says he is committed to trimming the annual deficit to \$390 billion in FY2006 and by half in the next five years. But this is based on ever-growing diversions from the Social Security Trust Fund and does not include any expenditure for his proposal to partially privatize Social Security, at an estimated cost of \$4.5 trillion over its first 20 years in operation, or making the tax cuts permanent.”