

Welcome, Guest

[Personalize News Home Page](#) - [Sign In](#)

Yahoo! News Mon, Jan 26, 2004

Search

for

[Advanced](#)

[News Home](#)

[Top Stories](#)

[U.S. National](#)

[Business](#)

[World](#)

[Entertainment](#)

[Sports](#)

[Technology](#)

[Politics](#)

[White House](#)

[Elections](#)

▶ [Congress](#)

[U.S. Government](#)

[World](#)

[Supreme Court](#)

[Press Releases](#)

[Most Popular](#)

[Science](#)

[Health](#)

[Oddly Enough](#)

[Op/Ed](#)

[Local](#)

[Comics](#)

[News Photos](#)

[Most Popular](#)

[Weather](#)

[Audio/Video](#)

[Full Coverage](#)

 Full Coverage

Politics - U. S. Congress

Hill Budget Office Sees 10-Year Deficits



48 minutes ago

 Add [Politics - U. S. Congress](#) to My Yahoo!

By ALAN FRAM, Associated Press Writer

WASHINGTON - Federal deficits will total nearly \$2.4 trillion over the next decade, the Congressional Budget Office ([news](#) - [web sites](#)) projected Monday, a worsening of nearly \$1 trillion since its last forecast in August.



[Reuters Photo](#)

In its annual wintertime economic update, Congress' nonpartisan fiscal analyst also projected that the red ink would hit a record \$477 billion this year.

Though the report envisions next year's shortfall dipping to \$362 billion, the estimates are sure to become ammunition in the election-year fight over red ink. Already, Democrats are hitting President Bush ([news](#)

- [web sites](#)) for the stark reversal from huge surpluses of just three years ago, while conservative Republicans are criticizing him for excessive spending as well.

"The president wants to go to Mars, and he's got deficits going to the moon," said Sen. Kent Conrad of North Dakota, top Democrat on the Senate Budget Committee.

Treasury Secretary John Snow, in a speech delivered via satellite to a conference in London, repeated the administration's commitment to cut the deficit in half — toward a size that is below 2 percent of gross domestic product — over the next five years.

"Make no mistake; President Bush is serious about the deficit," Snow said.

While House Budget Committee Chairman Jim Nussle, R-Iowa, cited the report's improved expectations for the economy, he said Republicans must control spending and added, "Deficits do matter."

All the congressional projections assume the president and Congress will not cut taxes or increase spending — an unlikely scenario, particularly with control of the White House and Congress up for grabs this November.

[More about U.S. Budget](#)

Related News Stories

[Snow says US deficit too big, Bush will halve it](#)

AFP via Yahoo! News (Jan 26, 2004)

[Sources: CBO Sees \\$477 Billion Deficit in 2004](#)

Reuters via Yahoo! News (Jan 26, 2004)

[Hill Budget Office Sees 10-Year Deficits](#)

AP via Yahoo! News (Jan 26, 2004)

Opinion & Editorials

[Where Your Food Comes From](#)

at NY Times (registration req'd) (Jan 23, 2004)

[Capitol Bloat](#)

at Washington Post (Jan 22, 2004)

Feature Articles

[Spending bill swells on diet of pork](#)

Chicago Tribune via Yahoo! News (Jan 20, 2004)

[Same Budget, Different Year](#)

LA Times via Yahoo! News (Jan 19, 2004)

Related Web Sites

[Frequently Asked Questions About The Debt](#)

[Office of Management and Budget](#)

[Congressional Budget Office](#)

The report's short-term projections were in the neighborhood of where they were in the budget office's last report five months ago.

The most marked deterioration was for the decade ending 2013, for which the office projected cumulative deficits of \$2.38 trillion. That was \$986 billion worse than it estimated last August, and \$3.7 trillion deeper than it projected a year ago.

The forecast worsened in part because the budget office assumed — as it is required to by law — that the \$87.5 billion approved last year for wars in Iraq ([news](#) - [web sites](#)) and Afghanistan ([news](#) - [web sites](#)) will be renewed annually for the decade. Many lawmakers and analysts consider that unlikely.

The office also factored in new costs like the prescription drug benefit created last fall. In addition, the report projects lower federal revenue than was anticipated earlier, partly as result of lower inflation that the budget office now expects.

But the budget office did not include the costs of programs or initiatives lawmakers are considered likely to approve in coming years. These include making at least some tax cuts permanent, changing the alternative minimum tax so it doesn't affect growing number of middle-income earners, and spending increases for popular programs or unforeseen needs like war or disasters.

The cumulative national debt is already over \$7 trillion.

Bush plans to send Congress a \$2.3 trillion budget for that year next Monday in the face of growing criticism by Democrats and conservatives over increased spending and surging federal shortfalls.

Underscoring the political pressure he feels, Bush and administration officials have said their budget will propose cutting the deficit to half of this year's level by 2009.

Bush has so far revealed no details of how he would achieve that. Democrats say his goal would be a minimal accomplishment because deficits are so high to start with. They also say it is meant as a distraction from the even deeper deficits expected when baby boomers retire in force just beyond a decade from now.

The deficit hit \$375 billion in 2003, the highest in dollar terms ever. The previous record was \$290 billion in 1992. Administration officials say the more important measure is how the shortfall compares to the size of the U.S. economy, a measure by which today's red ink is smaller than it was in the 1980s.

All the estimates assume lawmakers will not rewrite any tax laws and let spending grow only at the rate of inflation.

Because tax and spending changes are inevitable, the forecasts are not meant as a prediction. Rather, they provide lawmakers with a baseline from which to measure the effect their policies would have on the budget.

News Resources

Providers

- [AP](#)

News Alerts

- [Congressional Budget Office](#)
- [President Bush](#)
- [Iraq](#)
- [Afghanistan](#)
- **Services**
- [Daily Emails](#)
- [Free News Alerts](#)

 [News via RSS](#)

The two parties are already fighting over the red ink that has materialized during the Bush years.

The budget's health has taken an abrupt nosedive after four straight years of annual surpluses that ran through 2001.

Only last January, the budget office estimated 10-year surpluses — not deficits — of \$1.3 trillion. And in January 2001, when Bush took office, the projection was for a decade of black ink totaling \$5.6 trillion.

Republicans say Bush is not to blame for the turnabout. Analysts say the surpluses have dissolved due to the recession, the tax cuts Bush pushed through Congress, and growing spending for defense, Medicare and other programs.

Even so, many Republicans have grown increasingly uneasy with the shortfalls. The public has mostly ignored the budget gaps, focusing instead on the economy, war and terrorism, but recent polls indicate people are paying more attention.

Politics Tools

- [Elected Officials](#)

Enter Your ZIP Code:

or [Search by State](#)

- [Register to Vote](#)


Enter Your ZIP Code to Find a Candidate:


or [Search by State](#)


- [Issues & Action](#)

Scroll to select issue area

Links and services provided by Capitol Advantage

 [Email Story](#)

 [Post/Read Msgs](#)
(2279)

 [Print Story](#)

Ratings: Would you recommend this story?

Not at all [1](#) - [2](#) - [3](#) - [4](#) - [5](#) Highly

Avg Rating: 4.12, 292 votes

Next Story: [White House May Be Probed on CIA Leak](#) (AP)

More [Politics - Congress](#) Stories

- [White House May Be Probed on CIA Leak](#) (AP)
- [Congress Moves to Aid Cos. With Pensions](#) (AP)
- [Daschle Presses Bush for Domestic Focus](#) (AP)
- [Tauzin Rejects Hollywood Lobbyist Offer](#) (AP)
- [Bush Signs \\$373 Billion Spending Bill](#) (AP)