

Bush forecasts smaller budget deficit

by UPI

WASHINGTON -- U.S. President George W. Bush Wednesday said higher tax revenues and tighter spending will lower the federal budget deficit to \$205 billion this fiscal year. "That's down more than \$200 billion from 2004. It's down more than \$43 billion from last year," Bush said at a budget briefing at the Eisenhower Executive Office Building. The U.S. budget deficit was a record \$413 billion in 2004. Bush said the latest projected budget deficit is estimated at 1.5 percent of gross domestic product "well below the average of the last 40 years." The \$205 billion deficit the White House Office of Management and Budget now forecasts is \$39 billion less than the \$244 billion it predicted earlier, mostly due to the anticipated receipt of more tax revenue than earlier expected, OMB said. "The deficit is not caused by under-taxing; it's cause by over-spending," Bush said. U.S. House of Representatives Majority Leader Steny Hoyer, D-Md., called the White House deficit forecast a sad commentary. "The reality is that the deficit projected today represents a swing of more than three quarters of a trillion dollars from the \$572 billion surplus projected when the Bush administration took office," Hoyer said.

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