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# Bush's Economic Growth Forecast Called 'False'

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From Bloomberg News

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WASHINGTON — Comptroller General David M. Walker on Monday disputed as "flat false" President Bush's forecast that economic growth spurred by tax cuts will help shrink the federal government's annual deficits.

The nation must make "tough choices" on taxes and spending over the next eight years before baby boomers begin to retire and start collecting Social Security benefits, said Walker, head of the congressional watchdog Government Accounting Office.

Bush has argued that by 2006, growth prompted by his \$1.7-trillion tax cut plus spending cuts will pare deficits in half.

The U.S. budget deficit has more than doubled to a projected \$455 billion for the 2003 fiscal year, which ended last week, government figures show.

"The idea that this is manageable or that we are going to grow our way out of the problem is just flat false," Walker said. "Even if we repeal all the tax cuts, you are still going to have to make tough choices."

There's a danger of recurring budget deficits "putting upward pressure on interest rates," which would stall economic growth, he said. "You could argue that deficits are already affecting them, as some of them have gone up in the past few months."

Reducing budget deficits by 2006 will be only a temporary solution because the biggest financial obligations will start in 2011, when baby boomers start to retire, Walker said.

"The ratio of people who are of working age to people of nonworking age is changing indefinitely," he said.

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