

**Transcript of Floor Statement by Senator Kent Conrad (D-ND)  
in Support of Feingold Amendment (#2748) Attaching Strict Pay-Go Provision to the  
Senate Budget Committee-Reported FY 2005 Budget Resolution  
March 10, 2004**

Look, now we are starting to talk about amendments that are just critically important if we are going to start to do something about the skyrocketing deficits and the accumulation of debt.

The pay-go provisions are budget disciplines to make it harder to add to deficits. We have used these provisions in the past successfully to move from record deficits to record surpluses.

In just a few moments, this body is going to vote on whether it is going to renew those disciplines or we are just going to abandon the ship and keep right on running up an ocean of red ink.

This year, we are poised to run a deficit in record terms of over \$470 billion--\$100 billion more than last year. And last year's deficit was almost \$100 billion more than the previous record.

This is an opportunity for Senators to stand and be counted and be held accountable. Are we going to go back to the budget disciplines that have worked in the past or are we going to let them lapse? They lapsed in 2002, they have not been reinstated, and the deficit has skyrocketed.

What this amendment does is to put back in place the fundamental disciplines that say simply this: If you want new mandatory spending, if you want new tax cuts, you can have them, but you have to pay for them. It is that simple.

Some will say, Well, this does not discipline discretionary spending, which is a third of Federal spending. That is true. We discipline discretionary spending by spending caps. We have a spending cap in place.

The question before us is, Are we going to reenact the budget disciplines on mandatory spending, which is two-thirds of Federal spending? Are we going to replace the budget disciplines on the revenue side of the equation, which have been allowed to lapse?

Let me just put up a statement by the chairman of the Federal Reserve on this question. Federal Reserve Chairman Greenspan, on restoring pay-go, said:

“I would, first, Mr. Chairman, restore pay-go and discretionary caps. Without a process for evaluating various trade-offs, I see no way that any group such as a Congress can come to a set of priorities which will be effectively reflecting the will of the American people.”

This is the test: this vote. This is going to answer who stands for budget discipline, who stands for getting these deficits and debt under control, and who is going to sit on the sidelines and allow these deficits and debt to continue to skyrocket out of control.

For those who say they are fiscally responsible, here is the test. Here is the test. All the talk is going to be measured in this vote. Do you stand for restoring the budget disciplines that have worked in the past or do you not? That is the question.

I urge my colleagues to support this amendment.

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My colleagues, this amendment matters. We have a lot of amendments that are important but that, frankly, are not going to do much about our long-term fiscal condition. This amendment could make a real contribution to getting these skyrocketing deficits under control. Why? Because it says simply this: No new spending on the mandatory side, and that is two-thirds of Federal spending; no new tax cuts that are not paid for, unless you can get a supermajority vote.

This is one of the key budget disciplines we had through the 1990s that helped us save hundreds of billions of dollars on the deficit. This is what helped us move from record deficits to record surpluses. This budget discipline was allowed to lapse in 2002, despite our best efforts.

Senator Feingold and I made a last-ditch attempt to save these budget disciplines and we got 59 votes. We needed 60. Look what has happened since. Deficits have taken off like a scalded cat.

My colleagues, I think this vote is going to be evidence of whether somebody is serious about fiscal discipline and restoring fiscal sanity or whether they just want red ink as far as the eye can see. Make no mistake, that is where we are headed. That is where we are headed under the President's plan.

The President's plan adds \$3 trillion to the national debt in the next 5 years. The budget resolution is a little bit better; it adds \$2.86 trillion to the national debt in the next 5 years. All of this is right before the baby boomers retire.

My colleagues, you cannot leave this Chamber calling yourself a fiscal conservative unless you vote for this amendment. I urge my colleagues to support the amendment of the Senator from Wisconsin.