Floor Statement by Senate Budget Committee Chairman Kent Conrad (D-ND) on Senate Vote Giving Final Approval to FY 2009 Budget Conference Agreement
June 4, 2008

As we begin the debate, first I thank my colleague, the ranking member of the Budget Committee, Senator Gregg, for his continuing graciousness and his professionalism as we have sought to find a way to conclude our work on the budget for this year. I also thank his staff. We appreciate very much the relationship we have and the very constructive dialog between us as we have searched to find a way to bring this debate to a close.

With that, I wish to describe the conference agreement in general terms. This agreement, we believe, will strengthen the economy and create jobs. It will do that by investing in energy, in education, in infrastructure. It will expand health coverage for our kids. It will provide tax cuts for the middle class. It will restore fiscal responsibility by balancing the books by 2012 and maintaining balance in 2013. It also seeks to make America safer by supporting our troops, by providing for our veterans' health care, and by protecting the homeland and rejecting the President's proposals for deep cuts in law enforcement, the COPS program, and for our first responders.

The tax relief in this budget is significant. This conference agreement extends the middle-class tax relief, provides for marriage penalty relief, the extension of the child tax credit, the 10-percent bracket. It also provides for alternative minimum tax relief so more than 20 million people in this country don't get caught up with additional tax obligations. It provides estate tax reform, it allows energy and education tax cuts as incentives to reduce our dependence on foreign oil, and it provides assistance for families who are struggling to pay college costs. It also provides for significant property tax relief and, of course, for the important extenders package.

The record under this administration has been a record of debt and deficits as far as the eye can see. This chart shows very clearly what has happened to the debt under this administration. This President, at the end of his first year, had a debt of $5.8 trillion. We don't hold him responsible for the first year because he inherited that budget. But over the 8 years he is responsible for, the debt has gone from $5.8 trillion to $10.4 trillion -- almost a doubling of the debt in this country. This President's fiscal failures are manifest. They are written across the pages of the economic history of this country.

This budget seeks to take the country in a different direction. Under this budget, we reduce the debt as a share of the gross domestic product each and every year, from 69.3 percent of GDP to 65.6 percent by the end of the fifth year.

The same is true of the deficit picture under this budget. I am proud to report that we balance the books by the fourth year of the budget. We maintain balance in the fifth year. While the President’s budget balances in the fourth year, it swings right out of balance once again in the fifth year. We don't believe that is a responsible course.

Under this conference report, spending goes down as a share of gross domestic product, from 20.8 percent of gross domestic product in 2009 to 19.1 percent of GDP in 2012 and 2013.

We will hear a lot from the other side about spending in this budget and we will hear claims that this takes spending through the roof. Let's compare the spending in this conference report from what the President proposed. In this conference report, total spending is $3.07 trillion in 2009. The President has $3.04 trillion. That is a difference of 1 percent. Again, the conference report shows spending of $3.07 trillion, the President proposed $3.04 trillion, a difference of 1 percent. Where did the difference go? Well, it went in those areas I have discussed: energy, education, and infrastructure, all of them critical needs.

On the revenue side, the President proposed $15.2 trillion of revenue over the 5 years of this budget. We have $15.6 trillion of revenue -- a modest difference, a 2.9 percent difference in revenue. We believe that can be accommodated without any tax increase. There is no assumption of a tax increase in this budget.

In fact, as I have identified, there are substantial middle-class tax cuts in this budget. In addition, we believe this modest increase in revenue over what the President has proposed can be provided by aggressively going after the tax gap -- the difference between what is owed and what is paid -- by going after the offshore tax havens, as well as closing down abusive tax shelters. We believe that difference can be easily accommodated in those ways.

Now, I predict that my colleague, for whom I have great respect and real affection, will stand up here momentarily and he will tell all of us this is the biggest tax increase in the history of the United States. He may even say that is the biggest tax increase ... in the history of the world.

I wish to recall his words from last year. Last year he said about our budget: “It includes, at a minimum, a $736 billion tax hike on American families and businesses over the next 5 years -- the biggest in U.S. history.”

Here is what happened. There was no tax increase.

Let me conclude on this thought. Here is the record. We had tax cuts of $194 billion. That is the record. That is what happened. No tax increase; tax reductions. If anybody wonders, go to your mailbox and look at the checks you have received from the United States Government. That was passed by a Democratic Congress.

I thank the Chair and yield the floor.

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I want to again thank all of our colleagues. This is significant vote because this is the first time in an election year since 2000 that we have been able to pass a budget. I think that sets a good example for the future.