

Senate Budget Committee Chairman Kent Conrad - Senate Floor Statement - 12/6/01

Mr. Conrad: I saw this discussion occurring on the floor and we have just been doing some calculations in the staff of the Budget committee and I thought some of what we found might be useful to the discussion, because over the next three years, the difference between the Republican stimulus plan and the Democratic stimulus plan is that the Republicans would add \$140 billion more in deficit with their stimulus plan than with ours. And now they are talking about --

Mr. Daschle: Did the senator from North Dakota say \$140 over how long?

Mr. Conrad: Just three years.

Mr. Daschle: Just three years. This isn't a ten year difference. This is just a three year difference.

Mr. Conrad: That's correct. If one looks at the different fiscal outcomes based on the Republican stimulus plan and the Democratic stimulus plan, just over the next three years, it is over \$140 billion of additional deficits and additional debt with the Republicans' stimulus plan over the next three years, versus the Democratic stimulus plan. Interestingly enough, they are criticizing adding \$7.5 billion for homeland security to respond to the bioterrorism threat, to improve security at airports, to improve security at our harbors, to improve security with the rail system in this country. All things that are clearly necessary. And I would submit the terrorists are unlikely to wait for us.

But I also have learned that within the administration, they are working on a supplemental that would come to us early next year for as much as \$20 billion for these same items. So what we have in terms of resistance on the other side to addressing the vulnerability of this country now, on the terrorist threat, rings pretty hollow. Rings pretty hollow when they say on one hand, gee you will be adding \$7.5 billion to the deficit and the debt, and yet when we examine their stimulus package over the next three years, compared to ours, they are going to be adding \$140 billion to deficit and debt and perhaps most revealing, all of their talk about how this represents big spending, and we have learned through sources in the administration, they are working on their own additional spending plan to be brought before us next year in the amount of approximately \$20 billion.

I didn't know if the leader had heard of these calculations or of these reports, but I thought it might be useful to the discussion as to really what the issue is going to be when we vote on these questions on the floor of the Senate.

I would say to my colleague, I was startled to hear the criticism still coming from the other side on the question of \$7.5 billion to deal with specific threats that we all know exists. After all our vulnerability to these matters is not something we just discovered. We have had report after report made by very respected members -- in fact the former Republican majority leader here in the United States Senate, Howard Baker, who did a report that alerted us to the need for tens of billions of dollars of expenditure to deal with weapons of mass destruction being developed in other parts of the world, specifically the former Soviet Union.

And the reports that were done on a bipartisan basis of the terrorist threats that existed to this country's infrastructure and the need to respond, and it takes money to respond. And \$7.5 billion, in light of what I have been told by people within the administration, that they are right now, working on a potential supplemental of \$20 billion, early next year, perhaps in the March time frame, that they would be bringing before us, because they, themselves, know it is going to take more money to respond to

bioterrorism.

It is going to take more money to strengthen our airports against terrorist attack. It will take more money to provide defense for our harbors, and to deal with the threats to the rail infrastructure of this country. I don't think there is a person here that doesn't know there are these additional threats. And when I couple that with what the Republicans are doing in terms of their stimulus package that would add in comparison to our package over \$140 billion of additional deficit and debt over the next three years, they are talking about defending the deficit on \$7.5 billion of funding necessary to protect this nation. At the same time they are working on a plan for \$20 billion of additional funding to protect this nation. It kind of rings hollow.

I thought I should report on testimony we had before the Budget Committee with respect to stimulus. We had a number of economists who appeared that said, you know, spending to strengthen security is perhaps the very best thing that you could do to stimulate the economy. Not only would the spending itself be stimulative, but more important it would improve the security of people in the country. And one of the big problems we have is a lack of confidence.

People are feeling threatened. People are feeling vulnerable. And that inhibits economic activity. We see that in airline travel. People don't feel safe yet flying. And to the extent you can make expenditures that improve the security of airports and improve the security of rail operations and improve the security in ports, that is going to improve the psychological security factor that people feel, and that's going to help the economy. They said you actually get a double hit. Not only the expenditures will be stimulative, but the additional security will make people feel safer and be safer.

So I just hope that this does not become just kind of a political debate, a partisan political debate, but that we deal with the underlying realities. The fact is, we know there are things that have to be done to strengthen our security and we can make that commitment now and get the work underway now. That makes sense instead of delaying. And finally, we're talking about \$7.5 billion when our Republican friends are talking about a stimulus package that means \$140 billion of additional debt over the next three years over and above what Democrats are advocating. So I just say to my colleagues, I think this choice is going to be a relatively simple one.