

**Transcript of Opening Remarks by  
Senate Budget Committee Chairman Kent Conrad (D-ND)  
at Press Conference on FY 2009 OMB Mid-Session Review  
July 28, 2008**

Chairman Spratt and I are here to discuss the Mid-Session Review. This represents the final Mid-Session Review for this administration. Thankfully, it is the last.

This administration will now leave office with the worst record of fiscal responsibility in the history of the country. He squandered a record surplus and left us deep in debt. He has dramatically increased our indebtedness to countries all around the world. His deficits and debt have undermined the dollar, putting upward pressure on oil prices and food prices, and every other price of commodities. This leads to an erosion of American living standards. And, over time, President Bush's deficits and debt will increasingly crowd out investment and hinder economic growth. The administration's time in office cannot end too soon.

If we look back at the record of this administration compared to previous administrations, we see that this is by far the worst record, leaving us with record deficits. In fact, this President has set a record for the five highest deficits ever. Five highest deficits on record are a part of this President's legacy and the highest of those deficits, \$482 billion, now projected to come in 2009, just as he leaves office. What a present to the incoming President.

But our budget situation is actually substantially worse than these numbers would reveal, because the word that you will never hear leave this President's lips is the word "debt." He'll talk about deficits. He will never talk about debt. And here's why: While the deficit is projected to be \$482 billion next year, the debt will increase by over \$800 billion. Of course, the biggest difference is Social Security Trust Fund money that this President is taking to pay other bills.

This President is building a wall of debt. At the end of 2001, gross debt was \$5.8 trillion. At the end of the eight years of this President's policies, the gross debt of the country will stand at well over \$10 trillion.

And, disturbingly, under his administration, we have become increasingly reliant on the friendship of strangers. If we didn't have the kindness of strangers in China, and Japan, and Saudi Arabia to buy our debt and finance our deficits, we would be in an extremely serious situation.

We can see that it took all these Presidents -- 42 of them -- 224 years to run up a trillion dollars of debt held externally. This President has more than doubled that amount. He's added foreign holdings of U.S. debt by \$1.6 trillion already; really staggering what this President has done.

Let's review what President Bush inherited and what he's leaving behind. He inherited a \$5.6 trillion surplus; he's leaving behind record deficits and debt. He inherited a budget on track to pay down all of our nation's publicly held debt, literally an elimination of debt from the federal ledger; he's leaving behind an exploding debt. He inherited the strongest economy in three decades; he's leaving behind an economy that is slowing sharply. He inherited \$1.50 per gallon gasoline; he's leaving behind \$4 a gallon gasoline. He inherited a strong housing market; he's leaving behind

the highest home foreclosure rate ever. He inherited an economy with robust growth; he's leaving behind the weakest job growth since the Hoover administration.

Finally, with the Olympics about to get underway, I was thinking that if we gave Olympic medals for fiscal irresponsibility, President Bush would take the gold, the silver, and the bronze, because he's got the three highest record deficits ever. He sets records in every single category: 2009 would be the gold; 2004, the silver; 2008, the bronze. So the President takes the gold, silver and bronze for fiscal irresponsibility.