Opening Statement by Senator Kent Conrad (D-ND) on Day Two of Senate Budget Committee Markup of FY 2007 Budget Resolution
March 9, 2006

Mr. Chairman, we have now done a review of the budget proposal you have laid down. Here is what we see. We see that full ten-year numbers are not included; that there is no funding for ongoing war costs beyond 2007; that there are no resources for alternative minimum tax reform beyond 2006; and, there is no provision for the President's Social Security privatization plan.

When we add back those things that we see left out, instead of improvement in the deficit, we see the deficit, including Social Security funds that are being spent at very high levels throughout the period, as follows: $570 billion in 2007; $543 billion in 2008; $527 billion in 2009; $513 billion in 2010; and $561 billion in 2011.

This budget we see – in terms of the deficit – is $71 billion worse than if we didn't do this budget; that is, if we put everything on cruise control, we would have $71 billion less in deficit than doing this budget.

The most alarming thing to me is that the debt, if this budget is adopted, will increase by over $3 trillion, just as the President's budget does. In fact, we see no difference in the increases to the debt under this budget than under the President's budget. Over the last five years, the debt has already gone up $3 trillion. The President told us he was going to have maximum paydown of the debt, but instead of paying down the debt, the President's fiscal policy has increased the debt dramatically from about $5 trillion to over $8 trillion this year, and if this budget is adopted, the debt will reach $11.8 trillion, and really at the worst possible time.

These aren't my imaginings or just our calculations. If we look at the summary sheet from the Chairman's budget, these are the estimates that he has of what will happen to the debt under this plan. And his estimate shows the debt going up: $663 billion the first year; $577 billion the second year; $536 billion the third year; $513 billion the fourth year; $539 billion the fifth year.

But of course, that doesn't have three additional items. That doesn't have alternative minimum tax cost fixes which will be in the $60 to $70 billion a year range by the end of this period. It also doesn't have the accompanying debt service, and it doesn't have additional war costs beyond 2007. When we put all those things back in, what we see, Mr. Chairman, is a budget that will increase the debt of the country by over $600 billion each and every year for the next five years; in fact, well over $600 billion a year, each and every year for the next five years. This at the worst possible time before the baby boomers retire.

Mr. Chairman, I know that you are in an unenviable position. You are not the master of your own fate here. You can't lay out the budget that I think you might well like to lay out because of the political realities. I just say in terms of the national interest I don't think this is what we should be doing.

I think we should be embarking on a bold approach to dramatically reduce the growth of debt, and we shouldn’t tarry. And perhaps this year, or hopefully no later than next year, we can agree on a bipartisan basis on a really bold blueprint. I think the Chairman would like to be part of such an effort. I certainly would.