

**Transcript of Floor Statement by Senator Kent Conrad (D-ND) Upon Introduction of
Patriotic Pause Amendment to Fiscal Year 2004 Budget Resolution
March 18, 2003**

I rise today to offer the first amendment to the budget resolution that is pending before us. I believe this is a critically important amendment as our nation is on the brink of war. After the President's speech last night, I don't know what could be more clear than we are on the eve of conflict.

And the budget before us, the budget submitted by the president, the budget that has come out of the Budget Committee contains no provision for that conflict. There is no money for conflict. There is no money for reconstruction. There is no money for occupation. There is no money.

Some have said well, they have looked at the history and they found that in the past, wars were not budgeted for until operations have begun. Colleagues, I would suggest operations have begun. We have nearly a quarter of a million troops poised on the border with Iraq. We have hundreds of thousands of reservists that have been called up. We have five carrier battle groups in the area. Operations have begun. We have special forces in Iraq at this moment. We are conducting air operations over Iraq at this moment. Who can assert that operations have not begun?

In the past – Second World War, First World War – Uncle Sam delivered a message to the American people. It takes taxes and bonds. And the message was that it takes common sacrifice to defend this nation. But that's not what this budget says. This budget says let's have a one and-a-half trillion dollar tax cut that goes primarily to the wealthiest among us before there is any assessment of war cost or occupation cost or reconstruction or humanitarian aid cost. That strikes many of us as unwise.

Many of us believe that we ought to take a moment and do a calculation of what this war is likely to cost. Before we engage in new spending, initiatives, or before we launch a whole another round of significant tax cuts given the fact we are already in deep deficit. We are already in record deficit. The deficit under the Chairman's mark for this year, excluding Social Security, will be over \$500 billion in a \$2.2 trillion budget. That is a massive budget deficit by any calculation, and as I have indicated, includes no money for potential war cost. None.

The amendment that I am offering today says this: the Senate may not consider legislation that would increase the deficit until the President submits to Congress a detailed report on the overall estimated costs of the war. This measure would be enforced with a 60-vote point of order.

In other words, if there were more than 60 votes in the Senate to add to the deficit, we would be able to do that. And there are two exceptions. We could add to spending for legislation relating to national or homeland security. I think that just represents common sense. We certainly don't want to limit our ability to respond to any threat. And so we would have an

exception from the 60-vote point of order in adding to the deficit for expenditures for national defense or homeland security.

The second exception would be an economic recovery and job creation package which does not increase the deficit over the time period 2005-2013. In other words, we would be saying the following: we are going to have a 60-vote point of order against any measure that increases the deficit, with the exception of additional spending for national defense or homeland security, and with the additional exception of a stimulus package for this economy that does not add to the deficit in the years 2005 to 2013. In other words, the stimulus package could add to the deficit in 2003 and 2004, but not beyond.

I hope my colleagues will think carefully about what this amendment will do. And that we think carefully about what is in the budget that is before us. In the Senate Republican plan, there is no money for any part of the conflict. We have got, in news reports, that there will be a supplemental sent up to us by the White House for between \$60 and \$95 billion. That means that the deficit in 2003 will approach \$600 billion when we exclude Social Security. That is truly a massive, massive deficit.

It has been asserted we don't know the cost of conflict. That is true. That is understandable. One thing we know, though, the cost of conflict is not zero. And that's the number that's in this budget. That's what the President has sent us as a budget. That there is no cost. Now, that defies common sense. We know there is cost. We know there is substantial cost. And here are just some of them. We are reading in the press that the defense supplemental, the war supplemental the President may send us will be in the range of \$60 billion to \$95 billion. I read in the paper this morning that it may be \$80 billion.

Humanitarian aid – we know that we are going to be responsible for refugees, perhaps millions of people requiring feeding, requiring shelter, dispossessed by the conflict. Those estimates on a conservative side are a billion dollars. Reconstruction of Iraq not included in the budget. Various range of estimates \$30 billion over ten years – a conservative estimate. The occupation of Iraq. No provision in the budget. Estimates run from \$17 billion to \$46 billion a year. Aid to allies -- Israel, Jordan, Egypt -- not provided for in the budget. Estimates of the cost run from \$6 billion to \$17 billion. I think we have all seen that we have not even listed Turkey here. We negotiated an agreement with Turkey for some \$6 billion. There are discussions with Russia – multiple billions of dollars in terms of a package for them. And the war on terrorism in 2004, no additional provision, estimates that that could cost \$19 billion. None of it included in this budget. Does that make any sense when we all know that conflict is about to start and that we have already experienced substantial costs just moving our forces into position to launch this attack? And many of us don't think so.

Congress Daily reported on March 14, the following:

"Vice President Cheney met with Senate Majority Leader Frist Thursday to discuss, among other things, the timing of a spending request on military action in Iraq. It is not expected that such a request would come until after the House and Senate complete floor action on the budget resolution, a key aide said."

That report went on to say:

"Having a supplemental that could total somewhere between \$65 billion and \$95 billion come up while the tax cuts in the budget resolution are being debated could threaten the Republicans' economic agenda. House leaders have also said they want the supplemental war request delayed as long as possible to provide breathing room between the tax cuts and war spending."

I hope this is not true. I hope very much that we are not engaged in a cynical attempt here to hide costs from people so that we make the tax cuts more palatable. If that's true, that's very disturbing. We ought to have all the cards on the table here. We ought to be telling the

American people the truth as completely and as fully as we can know it. And the truth is, this war is going to cost a lot of money. It ought to be included in our calculations to the best of our information.

We know from previous conflicts that initial war cost estimates are often low. We go back to the Civil War. The estimates were it was going to cost \$200 million. The actual cost, \$3.2 billion, a 1,500 percent increase over the initial estimates. World War II, initial estimates were that it would cost about \$112 billion. It wound up costing over \$195 billion – a 75 percent increase. Vietnam, initial estimates were \$12.3 billion. It wound up costing \$111 billion, an 800 percent increase over the initial estimates.

Now we can all hope that won't be the case here. I don't in any way suggest we ought to budget for those kind of dramatic increases over what the initial estimates are. But at the very least, we ought to be budgeting for what the estimates are. The President spoke last night. He spoke clearly. He spoke directly. He gave Saddam Hussein and his cadre 48 hours to get out of Iraq. Reports are this morning, Saddam Hussein and his group are not going to leave Iraq. There are already indications the President may address the nation tomorrow. We are discussing and debating the budget resolution now. We have ought to include our best estimates for this conflict in what we are doing now.

I go back to the amendment that I am offering. It says we should have a 60-vote point of order against anything that adds to the deficit with two exceptions. One, additional costs associated with national defense and homeland security. And two, additional tax cuts as part of a stimulus package that would be effective this year and next. Those would be the two exceptions. Common sense exceptions. But other than that we should create a hurdle to additional new spending or tax cuts when we don't know the cost of this conflict.

When we look back at previous conflicts, here is what we see. This has been the response of Congress and the administration in every conflict America has experienced. In the Revolutionary War, excise and property taxes were enacted to pay for it. In the War of 1812, excise and sales taxes were enacted to pay for it. Mexican-American War, there were no federal taxes during this period. In the Civil War, excise, inheritance and income taxes were enacted to pay for it. In the Spanish-American war excise and inheritance taxes were raised and war bonds were sold to pay for it. In World War I, income, estate and corporate taxes were raised to pay for it. World War II, a major expansion of corporate, excise and income taxes and war bonds were sold to pay for it. In Korea, income taxes were raised to pay for it. In Vietnam, business and

income taxes were cut in the early stages, and in the mid-stages they were increased to pay for the war. In the Persian Gulf, the 1990 income tax increase was passed. And, in this war, instead of paying for it, we are saying, the President is saying let's have a \$1.9 trillion tax cut. That's the cost of the tax cut and associated interest cost, even though we are already in deep deficit. In fact in record deficit.

We are asking our troops to perhaps make the ultimate sacrifice. We are asking them to be prepared to risk their lives. It seems to me we ought to be asking the rest of the American people to sacrifice as well for this conflict. We certainly, at the least we shouldn't be having a massive tax cut when we are already in deep deficit and have no idea what the war costs are. We may need every dollar to do what is needed to prevail in this conflict and to respond to the terrorist threat that is expanded by it.

This morning, we awoke to a recommendation from Mr. Ridge, the head of the Department of Homeland Security to move the threat level up as a result of potential war with Iraq. Intelligence services are telling us that it is a virtual certainty there will be a terrorist attack against the United States in this time frame.

We ought not to be adding to the deficit except for national defense, homeland security and a stimulus package. Anything beyond that is risky at a time when we are on the brink of war. I hope that my colleagues will think about this amendment. It requires a 60-vote point of order. That means if there is some other contingency, other than national defense, other than homeland security, other than the need for a stimulus package, we could do it, but it would take a super majority to add to the deficit when we don't know the cost of the war.

I hope colleagues will think very carefully about this amendment before we vote on it.