



# BUDGET COMMITTEE



Judd Gregg, Ranking Member  
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**For Immediate Release**

**May 10, 2007**

**Opening Statement from Senator Judd Gregg  
Fiscal Year 2008 Budget Conference Committee  
(Unofficial Transcript)**

Thank you, Mr. Chairman and I appreciate your courtesy.

Also, it's a pleasure to be here with the House membership, and to have a chance to participate in this budget conference. Although I was interested to hear the House Chairman say the last real conference he was in was in 1997 – I'm sure that at that conference you actually had a document, or if you have a document you might have shown it to the minority side. We have not seen any paper, of course, that reflects what the final document will be, so it's hard for us to presume that this is a real conference. We're presuming this is an opening statement event and we look forward to making opening statements and when we move on to substance we know we will be included right there.

Obviously we have some concerns on our side of the aisle. I'm concerned about points of order, and how they're worked out in this. I'm concerned about the Pay-Go rules and whether it's Swiss-Cheese-Go or whenever it's really Pay-Go. I'm concerned about the reconciliation issue. I want to support our Chairman and his public statements that reconciliation should not be used to expand spending – this is a very critical issue in here for us as we go forward.

Mostly though, on top of those which are all big issues, especially the reconciliation issue, we're concerned about the significant increase in taxes, the significant increase in spending in both the House bill and the Senate bill. The tax increases represent the largest tax increases in history. The spending increases are very significant also and well over what the President has proposed in his budget. Its sort of like a French soufflé -- it increases spending, it increases taxes, and what may collapse is probably the American economy if it gets hit with this in reality. Or you could call it the gift that keeps on taxing.

Either way it is a proposal, as it left the Senate and as it left the House, which puts too much of a tax burden on the American people and is really inappropriate in light of the fact that this economy has gone through a fairly significant growth – 22 months of expansion, significant job growth, 7.4 million people finding jobs – and the reason the

deficit has been coming down so dramatically is that federal revenues have jumped dramatically as a result of a tax policy which has encouraged productivity, the creation of jobs, and people have actually benefiting from both of these events.

I also want to highlight one other area that I think is really regrettable that this budget doesn't touch. I know it's an issue for the Chairman. I regret that it's not in our budget. I regret that it's not in the House budget, and that of course is entitlement reform. We know that there's a freight train headed at the American economy, and at the quality of our life in this country, and it's called the retiring Baby Boom generation. We need to start now to address the pressure that the Baby Boom generation is going to put on the next generation in the area of maintaining entitlement benefits. And yet this budget does not do that. There's a representation there's \$15 billion in entitlement savings, and first off that's a marginal amount in the context of the entire entitlement spending which is trillions of dollars, but equally important there is twice that amount spent in new entitlement programs, or proposed entitlement programs, so there's really no savings at all. If we don't start to address the issue of entitlements, we as a generation who are governing now will have failed our responsibility to our children and our children's children who we're basically going to hurt with these very significant bills.

So we have these concerns. They are significant. We recognize that we're not the majority party and that you're going to write the budget. I will say this; I do hope we pass a budget. I hope it won't be the budget that you folks have proposed, but I suspect it will be closer to yours than anything I can put on the table or that the President puts on the table. It is appropriate that the Congress have a budget, so I congregate both of you – I know you're people of goodwill and I know you're very conscientious doing your jobs, and committed to making sure things are done well around here. So under your leadership there will be a budget I suspect, which will be good in that context, although the essence of the budget may not be all that good for the American taxpayer.

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