

**Transcript of Statement by Senator Kent Conrad (D-ND)  
at FY 2006 Budget Conference Meeting  
April 27, 2005**

I thank the Chairman, and I welcome this opportunity to express our views. I am disappointed that we on the minority side have been excluded from the discussions which apparently are going on behind the scenes. I was somewhat amused to hear my colleagues say the specifics are not yet available, because every morning I open up the paper and I read specifics, but we've not been part of the discussion about those matters.

I would just say to my colleagues I think we're making a mistake to proceed in this way, on a totally partisan basis. I think we would achieve better results if everybody was at the table and if there were involvement of both sides. I really think that is what the founding fathers intended, that to work out differences between the House and Senate, you would actually have Democrats and Republicans sitting together, debating and coming up with a plan. But that clearly is not to be.

I was looking at the clock on the wall and I noticed that it is 20 minutes behind the actual time, and it struck me that that's a metaphor for what is happening here. This budget is behind the actual times. The fact is that we have record deficits, and these budgets only make it worse. The House budget, the Senate budget increases the deficits each and every year. More alarming, the debt is dramatically increased under both of these budgets.

The words that I hear here are good. I heard the Chairman say deficits have been reduced. I don't see it. I don't know what those words relate to. They don't relate to these budgets.

Here's what happened to the deficits since 2001. It is basically straight up. I don't see any reduction in the deficit. In fact, the indication after 2004 that there's going to be some improvement in the deficit missed the fact that we have just passed a supplemental of another \$80 billion. So the deficit is not improving. The deficit is getting much worse.

Let's go to the next slide, and this will be my final contribution by way of a chart today.

If you like debt, I would say this to those who are watching and those who are here. If you like debt, you've got to love this budget. Because this budget is building a wall of debt. We started this year with \$8 trillion of debt, and it's going up, up and away. Every year, these budgets dramatically increase the debt of the United States. That's undeniable. Every year of the budget that came here from the Senate the debt is increased by more than \$600 billion.

When they say that the deficits are being cut in half, they only get there by leaving out things – by leaving out war costs past September 30, by leaving out the need to correct the alternative minimum tax, by leaving out the cost of the President's Social Security proposal. But if you look in the budget documents themselves, and look at what our friends themselves are projecting will happen to the debt of our country if these budgets are adopted, the debt is increasing by more \$600 billion each and every year. It is building a wall of debt. And, I think it is a profound mistake for the country.

This is before the baby boomers retire, and we all know the leading edge starts to retire in 2008. Congressman Spratt is entirely correct. We have a problem in Social Security. These budgets make it worse because they assume every penny of Social Security money that is available to take will be taken to pay for other things. How does that strengthen Social Security? How does that make things better? How does that address the projected shortfalls? It just makes them worse.

Building a wall of debt is not the answer, and I hope very much that at some point we will come together in a serious effort, Democrats and Republicans, the President included, to face up to this massive growth of debt. It endangers the long-term economic security of the country and it is our obligation to address.

With that, I thank my colleagues. I know that you perhaps will miss us from further deliberations, but we certainly enjoyed this opportunity.