

**Floor Statement by Senator Kent Conrad (D-ND) on the Federal Debt Limit
March 2, 2006**

The *New York Times*, in its Monday edition editorial, said: "There's nothing Congressional Republicans would like more than to escape the inescapable need to raise the Nation's debt limit. The upcoming increase, from \$8.18 trillion to nearly \$9 trillion, will be the fourth major hike in the last 5 years." The editorial went on to say: "It will come as no surprise if Senate leaders squelch debate on the debt limit until Congress is ready to begin its next week-long recess on March 17. Then, up against the Treasury's default deadline, the increase would be put to a voice vote so that no individual would have to go on record as approving the measure."

If anybody thinks that the *New York Times* is just imagining that there will be an attempt to avoid a debate on this massive increase in the Nation's debt, this is what the chairman of the Finance Committee said: Senator Grassley "told Reuters that the goal would be to get the debt limit legislation passed with the least debate." He went on to say: "I would like to see a bill on any Thursday night just prior to a recess."

Why do our colleagues on the other side of the aisle want to avoid a discussion of the Nation's debt? Perhaps it is revealed in this chart which shows what is happening to the Nation's debt under their leadership.

Our friends on the other side of the aisle have controlled Washington policymaking since 2001. They have controlled the Senate. They have controlled the House. They have controlled the White House.

Here is their record on debt. At the end of the President's first year, the debt was \$5.8 trillion. I think it is fair to leave out the first year. He is not responsible for the first year. Look at what happened since. The debt has gone up each and every year -- and up dramatically. At the end of this year, it is predicted, if the President's budget is adopted, that the debt will have reached \$8.6 trillion.

Every Member of this body will recall when the President embarked on this fiscal strategy. He told us not only that he would not increase the debt but that he would have maximum paydown of the debt. He said his plan would virtually eliminate the Nation's publicly-held debt.

There is no elimination going on here. Instead, the debt has exploded. We anticipate that it will be \$8.6 trillion at the end of this year, if the President's further 5-year program is adopted. The debt will skyrocket to \$12 trillion in 2011, at the worst possible time before the baby boomers retire.

One of the results of their disastrous fiscal strategy is the debt held by foreigners has exploded at an even more alarming rate. It took 42 Presidents -- all the Presidents pictured here - - 224 years to run up \$1 trillion of external debt. This President has more than doubled that amount in 5 years.

This is the legacy of debt that will haunt this country for generations to come. This is the hard reality. This is a fiscal plan and a fiscal strategy that has failed -- failed miserably, and failed by any measure.

The Senator from Montana raised a question of who is holding our debt. Here it is: Japan -- we now owe them \$685 billion. We owe China over \$250 billion. We owe the United Kingdom over \$230 billion. And in fourth place -- who would have ever believed this -- we now owe the so-called Caribbean banking centers over \$100 billion.

Now it comes to this year and a further continuation of the Republican plan to load the Nation with debt. I do not know how else you can term it because here is what has happened.

By the way, from 1998 to 2001, there was no need to increase the Nation's debt limit. In fact, we were paying down the Nation's publicly-held debt under the administration of President Clinton. But in 2002, we had to raise the debt \$450 billion; in 2003, we had to raise the debt \$984 billion; in 1 year, 2004, another \$800 billion increase in debt; and now, in 2006, they are seeking to raise the debt another almost \$800 billion.

You add this up and the debt will have already increased under this President by \$3 trillion. When he came into office it was more than \$5 trillion. And we now know, if his next 5-year plan is adopted, he will add another \$3 trillion to the debt.

This is not a sustainable strategy or plan, and it is time for Congress to face up to it. It is time to begin the debate on what we do to confront these rapidly growing debts.

I hope very much that we will have a chance for a full debate on the debt limit and to consider stringent pay-go legislation, the device which we have had in the past to provide budget discipline. It simply says: If you want more spending, you have to pay for it. If you want more tax cuts, you have to pay for them. That is a basic notion that we used with great effect in the 1980s and 1990s to reduce what were then record deficits and debt levels -- levels that have been greatly exceeded by the massive runup of debt under this administration. I hope we have that opportunity. The Nation deserves as much.

I thank the Chair and yield the floor.