

**Floor Statement by Senator Kent Conrad (D-ND) on
Suspending Budget Reconciliation in Aftermath of Hurricane Katrina
September 7, 2005**

I rise today to talk about the proposal that a number of us have made -- Leader Reid in the Senate, myself, the ranking member of the Budget Committee, Leader Pelosi in the House, Congressman Spratt, the ranking member of the Budget Committee -- to put off the reconciliation proposals that flow from the budget resolution.

We have just been hit by perhaps the greatest natural calamity in our Nation's history. We don't know yet how it will rank, but there is certainly a possibility this will be one of the greatest calamities in our Nation's history. And that is the reason we sent the letter this morning to Majority Leader Frist and Speaker Hastert, as well as the chairmen of the Budget Committees in both the House and the Senate recommending that we suspend those reconciliation instructions that are part of the budget resolution.

We did that because we don't think what was written then fits the facts now. We have just had a massive disaster. It makes no sense to pursue the priorities that were part of that budget resolution.

This is not a time to be cutting services to the most needy among us. This is not the time to cut food stamps, to cut medical care for the indigent, to cut student loans. That is what is in the reconciliation process. Are we really going to cut Medicaid \$10 billion when we have hundreds of thousands of people homeless and don't have medical care and don't have a home? Are we really going to cut Medicaid in that context? Are we really going to cut food stamps when there are tens of thousands of people displaced, hundreds of thousands of people have had to leave their homes, and we are going to cut services for the most needy and, at the same time, cut taxes for the most fortunate among us?

Frankly, I did not think the budget resolution made much sense when we passed it. The budget resolution's reconciliation instructions cut spending \$35 billion and cut taxes \$70 billion, so it increased the deficit, on balance, \$35 billion when we are facing massive budget shortfalls -- among the biggest in our history.

In fact, the budget that was passed here will increase the debt of the country every year by \$600 billion. That is stunning. It is going to increase the debt \$600 billion. That is before Katrina. Now are we really going to continue down that path? Are we going to continue down a path that says on an emergency basis cut services to the least among us, cut taxes for the wealthiest among us, and run up the debt even more? What sense does this make?

It makes no sense to consider those legislative proposals in light of this new reality. It seems to me very clear none of us can know yet the cost to the Federal budget of the response to Hurricane Katrina. We should not be rushing through a further reduction in resources the Federal Government has available to respond to our Nation's challenges.

Katrina is a body blow of stunning proportion. We already passed \$10 billion of aid, which we obviously should have done. We are told that we are going to be asked to immediately consider another \$51 billion of aid, which clearly we should do. But that is just the beginning.

I have been told that the cost of this disaster to the Federal Government may well reach \$150 billion. So for us to go forward with a budget plan that was written before this catastrophe, and for some to come to the floor of the Senate and say, Steady as she goes, just keep on with that plan, does not make a whole lot of sense.

We have just seen a dramatic disaster, a catastrophic disaster. You don't stick with the same old plan when something of this consequence occurs. We have to respond, and we do not just respond by doing what we were getting ready to do when we faced a totally different set of facts. Frankly, I don't think it made much sense before this disaster. It makes absolutely no sense after this disaster.

Again, let me say to my colleagues, are we really going to cut Medicaid when we have hundreds of thousands of people displaced? Are we really going to cut student loans when we have a whole group of colleges that have been wiped out? Are we really going to cut food stamps when every night we can see on television what is happening to people who have lost everything? Are we going to say to them, Sorry, there is no help for you because we had a plan, a reconciliation plan up in Washington, and we had to stick to it? Is that really going to be the answer? I hope not because the facts have changed. The facts have changed, and the facts require that we change. The facts require that the plan changes, and the facts require we have a new plan and a new approach.

I submit to my colleagues this is not the time to cut assistance for those who are the least among us and to cut taxes for those who are the wealthiest among us. This is a time for all of us to come together as a nation and respond to this disaster with a generous heart. That is my belief of what is required of us at this moment. That is the moral imperative at this moment -- to respond to this disaster, to help those in need, to assist in the rebuilding, to help the sick, to feed the hungry. Goodness knows, we can see on our television screens every moment of every day that there are tens of thousands of our fellow citizens who deserve a helping hand. The notion that we just go forward with the plan as written makes absolutely no sense.

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This calamity requires a response, and the notion that we stick with the plan I do not think will withstand much scrutiny. We are going to have to have a new plan, and as part of that plan we should not be cutting the least fortunate among us. We should not be cutting food stamps. We should not be cutting the other life lines, whether it is medical assistance or any of the other programs that are now in place to assist these people who have been so badly hurt.

I do not believe it makes any sense at this moment to cut the resources of the Federal Government when we already cannot come close to paying our bills.