

**Floor Statement by Senator Kent Conrad, D-ND,
on Response to Republicans' Spend-O-Meter Charges
Spending Reconciliation Bill
November 1, 2005**

Mr. President, I understand the frustration of my colleague because his party has given him an impossible task -- to come out and defend a budget plan that explodes the debt.

You notice there was not one comment by the Senator about the debt. Here is why there was no comment about the debt. Here is what has happened to debt under their watch. When President Bush took office, the gross debt of the United States was \$5.6 trillion. Each and every year, the debt has gone up by \$500 billion or \$600 billion. In 2002, it went up to \$6.2 trillion, a \$500 billion increase; in 2003, \$6.8 trillion, it went up another \$600 billion; the next year, \$7.4 trillion, another \$600 billion; the next year, \$7.9 trillion, it went up another \$500 billion.

Here is what it is slated to do under the budget plan they have put in place.

The debt keeps going up, up, up, by \$600 billion a year by their own calculation, and they are out here touting that they have a deficit reduction package. Excuse me. Have words lost their meaning? They are out here talking about reducing the deficit, and their fiscal plan has done nothing but explode the debt of our country from \$5.7 trillion when they took over and we are headed for over \$11 trillion of debt by the time they are done. And they are out here touting a plan of deficit reduction. Come on. Come on. That doesn't pass the laugh test.

I understand the Senator from South Carolina was up here with a chart the other day that he called the Democratic Spend-O-Meter chart. Let me address that.

The Democratic Spend-O-Meter chart of the Senator from South Carolina is a complete concoction. He claims that the Democratic amendments this year would cost \$470 billion.

Absolute nonsense. Their Spend-O-Meter ignores the fact that many of the Democratic amendments were offset. He didn't count those offsets. In fact, because they included additional deficit reduction, the net effect of all Democratic amendments on the budget resolution would have reduced deficits by \$57 billion.

Their Spend-O-Meter also double-counts the cost of some Democratic amendments because they treat them as if they were a package instead of offered individually. Some Democratic amendments covered the same subject area as an earlier amendment and would never have been offered if that earlier amendment had passed.

Their Spend-O-Meter also overstates the cost of Democratic amendments by misleading and falsely assigning 5-year costs to 1-year amendments. Most of these Democratic amendments were for only 1 year, but they have taken them and made them into 5-year amendments.

Those weren't our amendments. That is your concoction. That is your fabrication. That is not right.

Democratic amendments to the 2006 budget resolution would have reduced the deficit by \$57 billion. Republican amendments to the 2006 budget resolution actually worsened the deficit by \$79 billion. That is the real story of what happened earlier this year -- net cost of GOP amendments: \$79 billion of additional red ink; net effect of Democratic amendments: \$57 billion of reduction in the deficit.

I also want to respond to the more general accusation that Democrats just want to spend. I would like to remind my colleagues of the Record.

Under the last Democratic administration, spending as a share of the economy came down steadily year after year, falling from 22.1 percent of gross domestic production to 18.4 percent of gross domestic production. During the term of the Democratic administration, spending went down.

Now I will compare that to the time since the Republicans gained control. Under our Republican friends, spending has gone from 18.4 percent of gross domestic production to 22.2 percent of gross domestic production. Who are the big spenders? When we were in control, spending went down. When they have been in control, spending has gone up.

That is not the end of the story. The bottom line is deficits. Here is the difference in the deficit records of various administrations going back to the Reagan administration. They were in significant deficit the entire period of the Reagan administration. The Bush administration, Bush 1, dramatically increased the deficits. Under the Clinton administration, we pulled out of deficit and actually went into surplus for 3 years. In fact, 2 of the 3 years we were actually able to stop raiding Social Security trust funds.

Here is the deficit record under the second Bush administration: They plunged us right back into deep deficits and massive increase in debt. Now they have a budget plan that, by their own terms, by their own calculations, increases the debt of the country by \$3 trillion over the next 5 years -- and they are out here talking about reducing the deficit.

I suppose they can make the claim, but I don't think it will stand up very well. I don't think it will stand up to much scrutiny because we can look at the package -- even this little package before the Senate right now. The fact is, there are many chapters to this book. The first chapter cut spending \$39 billion. That is in the face of increasing the debt by \$3.4 trillion over the next 5 years. They talk about it being a good start. I would say it is virtually no start. It is no start when you consider the second chapter which will cut the revenue by \$70 billion. The combined effect is to increase the deficit.

If anyone wonders, go to chapter 3 where they increase the debt in 1 year alone by \$781 billion. And they call themselves fiscally conservative? My goodness, that is conservative? That is not any definition of conservative I have read anywhere.

Let's see what is happening to the debt under our friends. They came in and it was \$5.7 trillion and they have already run it up to \$8 trillion. Here is what their budget proposal is doing now. If we adopt the 5-year budget plan, they will have run the debt of the country from \$5.7 trillion to over \$11 trillion. That is their record.

What are the results of these policies? The results of these policies are to build a wall of debt. Every year, debt is going up \$600 billion a year under their budget plan. These are their numbers. Not my numbers, their numbers.

What does that translate into? That translates into an increase of debt by over \$1 million a minute. That is the fact. That is what we are talking about.

What is the result? The result is in 4 years, they have doubled the debt held by foreign countries. U.S. debt held by foreign countries and foreign investors has doubled. It took 224 years to run up \$1 trillion of foreign-held debt. In only 4 years, they have doubled it.

Here is the record, looking at the other 42 Presidents in American history. It took them 224 years to run up \$1 trillion of external debt. This President has exceeded them in 4 years. This President has run up over \$1 trillion of foreign-held debt in his term: \$1.05 trillion versus 42 other Presidents, \$1.01 trillion. It is pretty stunning what has happened.

And the result? Here it is: We now owe Japan over \$684 billion. We owe China \$248 billion. We owe the United Kingdom over \$174 billion. We owe the Caribbean Banking Centers over \$100 billion. This strengthens the country? How does that strengthen the country?

They do not want anyone to read chapter 3 of the book. No. They want to talk about deficit reduction. It is a wonderful title, but it has no relationship to the facts. The budget they have before the Senate does not reduce any deficit. They increase the deficit. They explode the debt. Under their own calculations they will increase the debt over the 5 years of this budget proposal by over \$3 trillion. They have the chutzpah to come out here and talk about deficit reduction.

Let's read the third chapter of their book. The third chapter increases the debt limit of the United States in 1 year by \$781 billion. And they are out here talking about deficit reduction? Come on.

The chairman said accurately we did not present a budget. That is exactly right, we did not present a budget. Why didn't we present a budget? Because they are in control. They are in control of the White House. They are in control of the Senate. They are in control of the House. We first had to try to defeat their proposal. Only then would we have had an opportunity or a chance to offer an alternative.

The first test was, can we defeat their budget? I tried my darnedest. The chairman knows that. I tried very hard to defeat the budget proposal they put before our colleagues because it exploded the debt by their own calculations by more than \$3 trillion over the next 5 years. But I didn't succeed. They won. They passed their budget. If we could have stopped

them, if we could have defeated them, then an alternative would have been in order and I would have been happy to offer an alternative if we had a chance to prevail. There was no chance to prevail. They won. The country lost, but they won. The country lost because their budget did not reduce the deficit. It increased the deficit and it exploded the debt.

By their own calculations, this 5-year budget they have put together will increase the debt of our country by \$3 trillion. That is a fact.

I yield the floor.