

**Transcript of Opening Statement by Senator Kent Conrad (D-ND)  
at Senate Finance Committee Budget Reconciliation Markup  
October 25, 2005**

Thank you, Mr. Chairman. First of all, I wanted to recognize the work that the Chairman and his staff have done. In a challenging situation, you have done very professional work. I want to acknowledge that.

I think the situation we face here makes no earthly sense, however.

Last year, the debt of the country rose \$551 billion. And, if you look at the combined reconciliation package, it doesn't reduce the deficit, it increases the deficit. So, when I hear colleagues say that this is a step toward fiscal responsibility, it is almost like words have lost their meaning, because this total reconciliation package, it doesn't reduce the deficit, it increases the deficit.

How is that? Well, there are \$35 billion of spending cuts. That's true. But, the second part of the reconciliation package cuts taxes by \$70 billion. The combined effect of the reconciliation package, therefore, is not to reduce the deficit, it increases the deficit, at a time when we have runaway deficits and runaway debt. What earthly sense does this make?

What I find most alarming is that if we look at the next five years, the debt of the country is on track to increase by \$3.4 trillion. And, in this package before us today we're talking about \$35 billion of spending cuts. Again, later that will be combined with the \$70 billion of tax cuts to have an overall reconciliation package that increases the deficit, in light of a debt that is exploding. We're going absolutely the wrong way. Instead of reducing deficit, reducing debt, we're increasing.

This is the outlook as we go forward in terms of the debt of the country. We're at \$7.9 trillion at the end of last year, and every year we see the debt going up under the budget that has been passed by \$600 billion and more each and every year. The debt is exploding at the worst possible time, right before the baby boomers retire.

And, here we are, instead of paying down debt, which is what the President promised when we started down this course – remember he said his plan would provide for maximum paydown of the debt – but there's no paydown of debt occurring here. The debt is exploding, and as a result, foreign holdings of our debt have increased by more than 100 percent in four years.

I thank the Chairman.