

SENATE BUDGET COMMITTEE

KENT CONRAD, RANKING MEMBER

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STATEMENT BY SENATOR KENT CONRAD (D-ND) ON RELEASE OF PRESIDENT BUSH'S FY 2006 BUDGET

This is a hide and seek budget. But this is no game. This budget hides the true fiscal condition of the country from the American people. Using curtains of deception, it conceals the damage it is doing. The fact is, this budget would dramatically worsen the nation's fiscal outlook. If these proposals are adopted, deficits and debt would continue to explode at an unsustainable rate and the nation's long-term economic security would be threatened.

Despite administration claims, there is nothing fiscally responsible about this budget. Looking forward, the long-term deficit outlook is much worse than the administration would have us believe. The President says we must strengthen Social Security, but his budget takes more than \$2.5 trillion of payroll taxes intended for Social Security and uses them to pay for other things. Those are Social Security funds that should be used to either pay down debt or prepay the liability for the retirement of the baby boom generation.

The President's five-year budget hides the real cost of his proposals by:

- ignoring the \$1.6 trillion ten-year cost of making his tax cuts permanent;
- neglecting to fund the \$774 billion ten-year cost of reforming the Alternative Minimum Tax;
- leaving out the long-term cost for ongoing military operations beyond 2005;
- forgetting the \$4.5 trillion twenty-year cost of the President's Social Security privatization plan; and,
- providing only one year of discretionary spending policy detail, concealing the real impact of proposed funding levels.

When we pull back the curtains, we see the reality: more deficits, more debt, and more focus on the wrong priorities. We can do better. I look forward to working with my colleagues on both sides of the aisle to prepare a budget that puts us back on a path of fiscal responsibility and meets the needs of the American people.

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