

**Transcript of Remarks by Senator Kent Conrad (D-ND) at Senate Budget Committee
Hearing on President Bush's Line Item Rescission Proposal
May 2, 2006**

Thank you very much, Mr. Chairman, and thank you for holding this important hearing. This is an area where we have very different views. I think it would be a profound mistake to adopt this proposal.

The proposal that the President has made is not the answer to our budget problems. It would likely have little impact on the deficit, but would significantly shift power from the Legislative Branch to the Executive Branch. The fact is that under this administration the deficits have skyrocketed, the debt is exploding and that's because there has simply not been the will to put a fiscal policy in place to prevent those occurrences.

This is what has happened to the budget deficit under this President. We have had three of the largest deficits in our country's history. And the explosion of the debt is even more serious. Instead of paying down debt in preparation for the retirement of the baby boom generation, which the President promised, the debt has exploded. At the end of his first year, the debt was \$5.8 trillion. It is headed for \$11.8 trillion if the budget before Congress now is adopted. If that five year plan is endorsed, we now anticipate that the debt will be \$11.8 trillion by the end of 2011. The debt is increasing by more than \$600 billion a year, every year over the next five years.

The President's line item rescission proposal can't replace a real commitment to reducing the deficit. Acting CBO Director Marron, who is one of our witnesses today, has noted that the proposal is unlikely to greatly affect the budget's bottom line. In testimony before the House Rules Committee, he said, and I quote, "Such tools, however, cannot establish fiscal discipline unless there is a political consensus to do so.... In the absence of that consensus, the proposed changes to the rescission process ... are unlikely to greatly affect the budget's bottom line."

A recent editorial in *USA Today* made essentially the same point – the President's proposal is not the answer to our budget problems. The editorial stated, and I quote, "...[T]he line-item veto is a convenient distraction. The vast bulk of the deficit is not the result of self-aggrandizing line items, infuriating as they are. The deficit is primarily caused by unwillingness to make hard choices on benefit programs or to levy the taxes to pay for the true costs of government."

And many analysts have noted that the primary result of the President's proposal would be to shift power from the Legislative to the Executive Branch. Columnist George Will wrote the following in a recent column in the *Washington Post*, and I quote, "It would aggravate an imbalance in our constitutional system that has been growing for seven decades: the expansion of executive power at the expense of the legislature."

Let me just conclude by saying here are the problems that I see with the President's proposal:

1. It fundamentally shifts the balance of power between the Legislative and Executive Branches.
2. It requires Congress to vote on the President's proposals within 10 days.
3. It provides no opportunity to amend or filibuster proposed rescissions.
4. It allows the President to withhold funds for 180 days even if Congress disapproves of the rescission with a vote.
5. It allows the President to propose an unlimited number of rescissions at any time.
6. It allows the President to resubmit the same rescission again and again.
7. It allows the President to cancel or modify mandatory spending proposals passed by Congress. If that is not an egregious expansion of executive power, I don't know what is.
8. The tax provisions are narrowly drawn, allowing the President to rescind only those tax measures affecting fewer than 100 people; while the spending provisions are broadly drawn, allowing the President to rescind any spending increase.

Instead of this proposal, the President should be focused on fundamentally changing the failed fiscal policies he has embraced since taking office. That is the only way we are going to put our fiscal house back in order.

With that, I very much look forward to the testimony from our witnesses, especially the testimony of our esteemed colleague, Senator Byrd, who is one of the most knowledgeable individuals in the country on the Constitution and the rules of the United States Senate.

I thank the Chair.