

Prepared Statement by U.S. Senator Chuck Grassley (R-Iowa)
Ranking Member, Senate Budget Committee
Hearing on the President's Fiscal Year 2024 Budget Proposal
Wednesday, March 15, 2023

Mr. Chairman, I appreciate your holding today's hearing on the President's fiscal year 2024 budget. I hope that it will be the first of many hearings focused on our nation's finances.

And I'd like to thank our witness, Director Young, for being here today.

Some decades ago when the federal government was staring at a \$200 billion budget deficit, *Senator Joe Biden* warned of "economic disaster" unless Congress took "dramatic actions on deficits right now."

Senator Biden called for getting a grip on federal spending and limiting its growth with a temporary, government-wide spending freeze. He called for reviewing the efficiency and necessity of government programs. And he pushed for changes to the budget process that would improve accountability and make it harder for the President to pass the buck.

Today, we face a far dire situation, and *President Biden* ought to borrow from *Senator Biden's* playbook.

Unfortunately, his budget proposal continues to take our nation down a path of fiscal and economic ruin.

The White House referred to this budget as *Biden's* vision for the future of America. Let's talk about what that vision looks like.

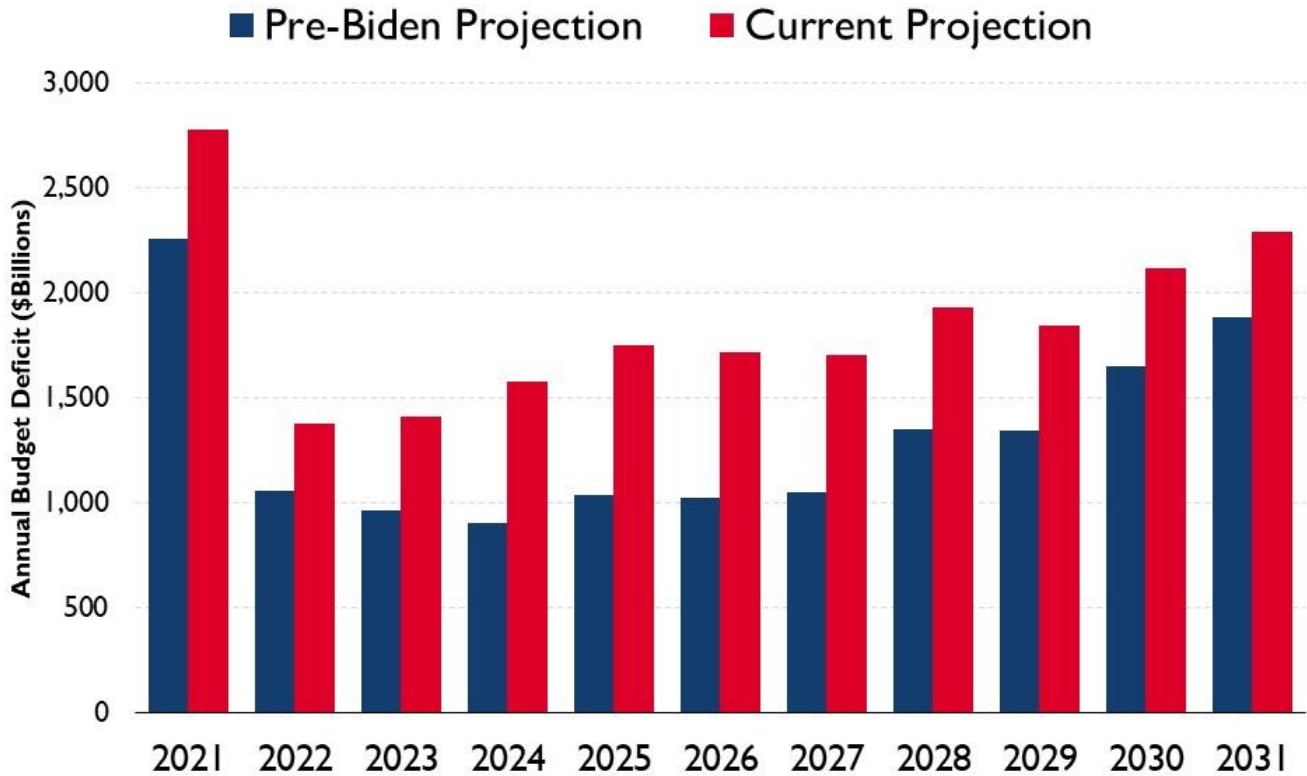
President Biden is proposing levels of debt, deficits, and spending previously reserved for times of world war or recession.

President Biden's vision for the future is job-killing tax hikes and cradle-to-grave entitlement proposals. If that sounds familiar, it's because it's the same proposals members of his own party rejected last Congress as too extreme.

The president uses sleight of hand to claim he's "reducing the deficit." Well, according to nonpartisan Congressional Budget Office projections, cumulative deficits between 2021 and 2031 will be \$6 trillion higher than what was projected when *Biden* took office.

Biden the Deficit Reducer?

Budget Deficits are \$6 Trillion Higher than Pre-Biden Projections



Source: CBO February 2021 and February 2023 Budget Outlooks

President Biden's new spending priorities are on track to put even more on our already maxed out credit card.

President Biden's vision for the future is a continuation of this administration's assault on the fiscal health of our nation during a time of economic uncertainty.

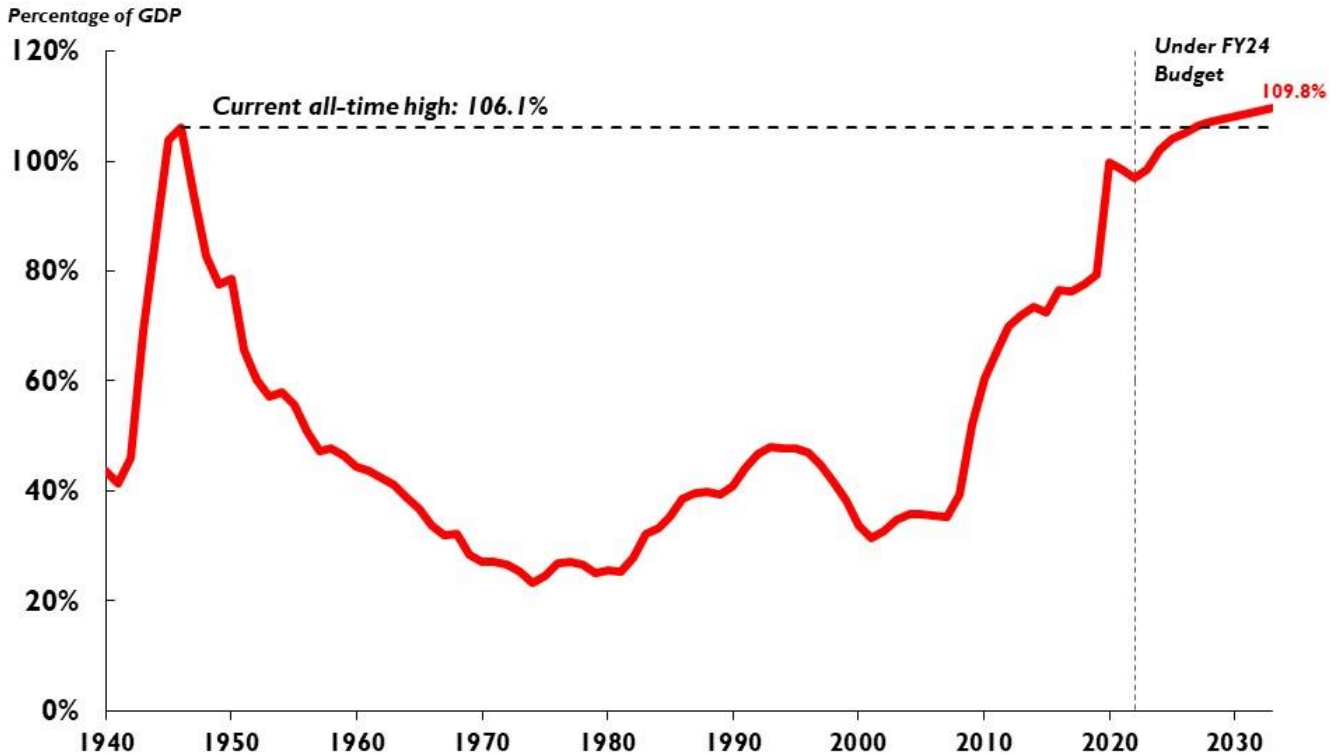
Annual deficits were always expected to decline from pandemic levels as emergency programs expired. But, Democrat leadership has recklessly accelerated the return of multi-trillion-dollar deficits through legislation and executive actions.

In 2021, despite warnings from President Obama's former economic advisor, Democrats abused the budget reconciliation process to fast-track a \$2 trillion liberal wish list that sparked the highest inflation we've seen in decades. Democrats followed that up last year with another partisan reconciliation bill that they claimed would reduce inflation and cut the deficit. Well, CBO and other independent experts found the bill actually *increases* inflation. And by this Administration's own estimate, the bill added another \$200 billion to the nation's tab.

But at least those bills actually passed Congress. The same can't be said of the Administration's \$400 billion student loan bailout or its unilateral expansion of the food stamp program.

In President Biden's vision for the future, public debt dwarfs our nation's entire economic output. Annual deficits under the Biden Budget grow from \$1.4 trillion last year to over \$2 trillion by 2033. By 2027, public debt would surpass record levels set in the wake of World War II and continue to climb.

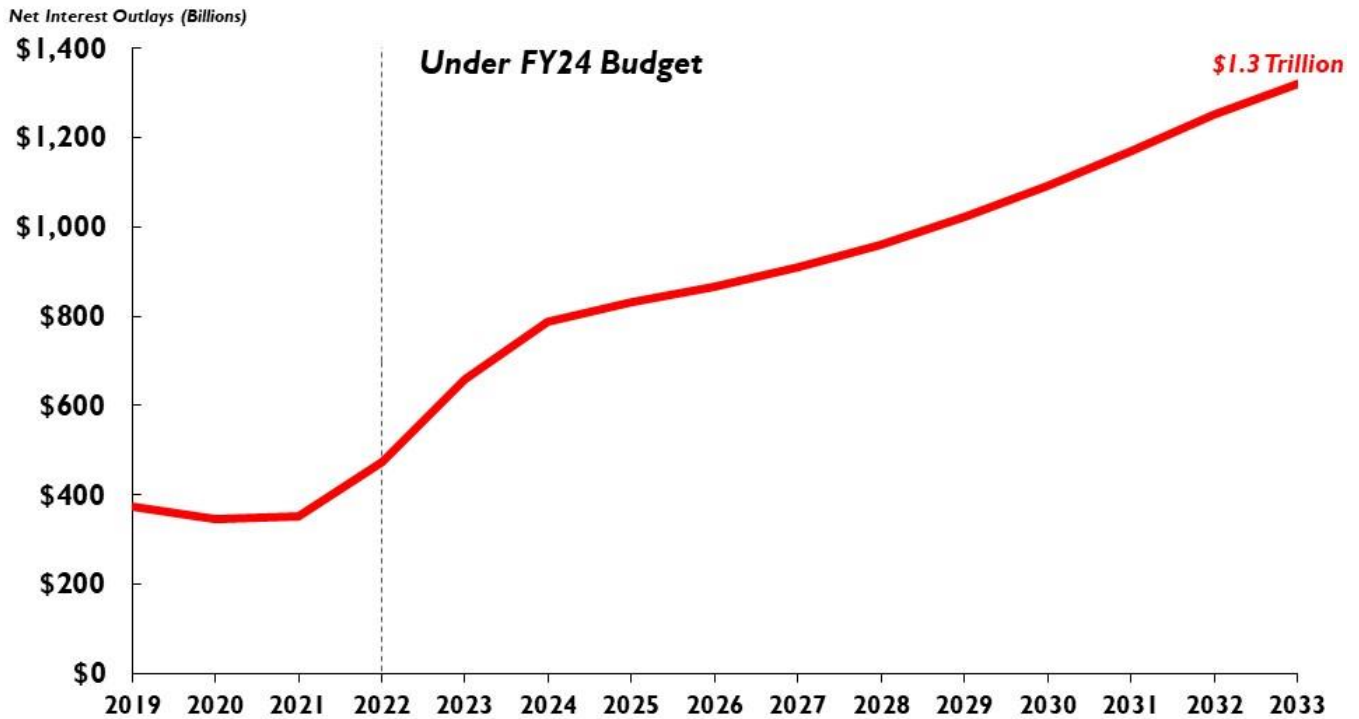
Biden Budget Brings Debt to Unprecedented Levels



Like a family or business that incurs more debt simply to make good on past debts, our nation risks entering a vicious debt spiral as interest costs soar.

In President Biden's vision of the future, interest on the debt costs more than the national defense. Interest costs nearly triple from \$476 billion in 2022 to over \$1.3 trillion in 2033 and total a staggering \$10.2 trillion over ten years.

Interest Costs Skyrocket Under the Biden Budget



That's \$10 trillion in hard-earned tax dollars that will not go to improving the lives of Americans. With a larger share of our budget tied up in servicing our debt, we'll be less able to respond to future recessions, pandemics, or foreign threats.

In President Biden's vision for the future, America's debt leaves us more vulnerable and less competitive on the world stage. At home, private business investment is increasingly crowded out, leading to anemic economic growth, lower wages, and fewer jobs.

Bank failures this past week highlight how fragile our economy is right now given decades-high inflation and rising interest rates. The more Congress borrows and spends, the higher interest rates will have to go. Ultimately, its families and small businesses that will suffer the economic consequences.

President Biden's vision for the future includes \$5 trillion in tax hikes on all income levels. This includes millions of families with incomes under \$400,000.

Tax revenues are currently at historic highs. Yet, the President wants to extract more from families and small businesses already struggling under decades-high inflation. Under his budget, the government's bite out of the

economy would be the largest since World War II. And despite all that, he continues adding to our national debt at a breakneck speed. Clearly, we aren't going to be able to tax our way out of our current fiscal mess.

To climb out of fiscal hole we've dug, we must stop digging. Instead, the President proposes \$2.5 trillion in new mandatory spending programs. Meanwhile, he largely ignores existing major trust fund programs that are on a path to insolvency. To the extent such programs are addressed, his budget relies on smoke and mirrors to kick the can down the road.

So, President Biden's vision for our future is more taxes, more debt, less opportunity and fewer resources for essential government services. If my Democratic colleagues are happy with this budget and want to embrace it as their own, fine—let's have a vote on it. I challenge Leader Schumer to bring it to a vote. I predict it would only get a few votes, if any.

Let's actually do our jobs and have the Budget Committee mark up a budget resolution. That's how the process is supposed to work.

Republicans are ready and willing to work with the President to get a grip on Washington's out-of-control spending and debt. But working together will require a shared acknowledgment of the serious fiscal problem we're facing and a willingness to work across the aisle. And unfortunately, I don't see any evidence of that in this budget.

