



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Floor Statement of Senator Chuck Grassley, of Iowa  
Chairman, Senate Committee on Finance  
Senate Budget Resolution  
Friday, April 11, 2003

Mr. President, I rise to address an aspect of the budget resolution that we are debating today. I'm going to focus on one of the Finance Committee's tasks that is included in the resolution. I'm referring to the growth package and reconciliation instruction to the Finance Committee. I'd first like to put all of this into context. After that, I will describe an agreement with Senators Snowe and Voinovich.

When I was thinking about the budget, Former Senator Barry Goldwater's words came to mind. Among legislators, you will find purveyors of perfection and those who practice the art of compromise. Reflecting on Senator Goldwater's words, I came up with a new version of Senator Goldwater's famous statement. With a little bit of poetic license, here's the version that I think sums up where we're at: "Let me remind you that extremism in tax policy at the expense of no budget resolution is a vice. Moderation in tax policy in pursuit of a budget resolution is a virtue. Fiscal conservatism is a virtue. No budget equals no spending ceilings and that equals a vice against taxpayers."

Mr. President, our economy has not recovered as we had hoped. Too many factories are shut or running below capacity. Too many workers are looking for work and need jobs to provide for their families. Stock prices have remained well below the "bubble" prices of the late 1990s. Americans wonder when their 401(k) accounts will bounce back.

To me, there is a clearly demonstrated need for bold fiscal policy to give our economy a kick start. President Bush took the initiative and the responsibility. The President put forward a bold plan that focused on consumer demand and lagging investment. Let me be clear. I'm with the President and supported his proposals in committee and on the floor.

Keep in mind, press reports indicated, Administration officials pursued ever larger resources for the growth package. Last Fall, the figure seemed to be \$150 billion. In early winter, the Wall Street Journal reported one day the figure had gone up to \$300 billion. Finally, when the President announced his plan the figure had grown to almost \$700 billion. In fact, Joint Tax scored the plan at \$726 billion.

I supported the President's number at each step and support it today. Unfortunately, there

is not now a majority of Senators in support of the President's figure. Based on countless conversations I've had, that majority, is not going to materialize over the next few weeks. As much as I wish it weren't so, that is the political reality.

The reality is that the Republican Caucus is split. Most of the Senate Republican Caucus supports the President's number. My moderate friends, like Senators Snowe and Voinovich, think the President's number is too large. Our Democratic colleagues who want to be constructive legislators, like Senators Baucus, Breaux, Ben Nelson and others, share our Republican moderates' view. Unfortunately, there are many on the other side who appear to view this exercise solely from the political objective of destroying part of the President's agenda. They seem less concerned about addressing the needs of the people.

My moderate friends base their views on concerns about future deficits. Those are sincere concerns. Likewise, I don't like the prospect of deficits. My difference is that fiscal discipline needs to come from the spending side as well. I do want to differentiate these moderates who are deficit hawks from those that claim the title of deficit hawk and seem to be advancing political objectives.

I'd ask a question of those hard line opponents of the President's growth package who claim to be deficit hawks. How often have they offered to restrain spending? Did they offer any fiscally responsible spending restraints during the budget debate? Think we know the answer on that one, Mr. President.

We all need to focus on getting spending under control. Unfortunately, the reality here is that a majority of the Senate wants to focus only on the tax relief side. That's where we find ourselves. We only see restraint on the revenue side of the ledger.

There is a more fundamental issue at stake. Republicans have a responsibility to govern. Aside from 135 days in the 2001, Republicans have not had control over both the Congress and the Administration for almost half a century. The American People gave us the authority to govern in the last election and we owe it to them to produce. Senators Snowe and Voinovich understand this.

Senators Frist and Nickles also understand this responsibility. I want Iowans to know I understand it as well. The people are tired of the partisan games and want us to govern. That's one of the reasons why I've said, as the growth package emerged, I want a bipartisan product. Senators Baucus and Breaux have told me they want to help me get a bipartisan growth package. They, along with other Democrats, made a down payment on this pledge with their support of the Senate Budget Resolution. I will work with them and like-minded Democrats in the bipartisan tradition of the Finance Committee.

In this context, the governing comes down to a couple of pieces of the peoples' business. One, producing a budget and two, advancing an economic growth package. We cannot go through the chaos of last year when, under Democratic control, we did not have a budget. Chairman Nickles has made it his priority to restore the order that comes with the fiscal blueprint of a budget resolution.

A few moments ago, I discussed the importance of the second item, the growth package. That's my job, hopefully with my friend and colleague, Senator Baucus, to get a bipartisan economic growth package out of the Finance Committee, out of the Senate, out of conference, and on its way to the President.

So, Mr. President, the reality, is these two items, the budget and the growth package, will not happen unless a majority of the Senate support the effort. Last night, a majority of the Senate did not support the budget resolution that passed the House early this morning. In order to get the necessary support, we made an agreement with Senators Snowe and Voinovich. Let me be clear, without this agreement, the budget resolution conference report would not pass the Senate today. There would be no budget and no growth package without our agreement. That's why the Leadership supports my efforts.

The agreement is simple. It relates to the revenue number for the growth package. I agreed that I would not return from the conference on the growth package with a number greater than \$350 billion in revenue reductions. This means that, at the end of the day, the tax cut side of the growth package will not exceed \$350 billion over the period of the reconciliation instruction.

Now, some on the other side, will characterize this agreement as a quote "defeat for the President." Those who say it's a defeat for the President may reveal their objective. It appears that they view this important responsibility solely from a political angle. I'd say the same thing about my Republican friends that use that same characterization.

This isn't about the President. It isn't about the House. It isn't about the Senate. It's about doing our job. It's about doing the People's business. As a matter of fact, if you review where the growth package started, at about \$150 billion, you could say the ball has been moved substantially. Why's that? Common sense will tell you folks on both sides of the aisle are a lot more concerned about the economy now than they were when we started. The reality is that we have the resources to do a very good growth package.

We have the tools to cut taxes that burden workers. We have the tools to cut taxes that burden small business. We have the tools to make investment decisions more attractive. That's where my focus will be on workers, small business, and investors. I hope that my colleagues will join me and focus on the doing the peoples' business. They can start by supporting the budget resolution conference report. I yield the floor.