

Opening Statement by U.S. Senator Chuck Grassley of Iowa  
Chairman, U.S. Senate Finance Committee  
On the President's FY 2020 Budget  
Featuring Treasury Secretary Steven Mnuchin  
Thursday, March 14, 2019

Welcome to this afternoon's hearing. Treasury Secretary Mnuchin is here to testify about the President's Fiscal Year 2020 budget proposal.

The President's budget includes various proposals to confront a variety of policy issues, including runaway federal spending, border security and immigration enforcement, national defense, the opioid epidemic, and healthcare costs.

The budget envisions receipts averaging 17.3 percent of GDP over a 10-year budget window, slightly above the average of the past 50 years. It also has outlays averaging 20.0 percent of GDP over ten years, equal to the average of the past 50 years.

The budget contains some relatively minor tax proposals, and proposes spending restraint to help achieve budget savings of around \$2.8 trillion over ten years.

Those savings are significant, even if they come to only a fraction of what some recent proposals from the other side would cost, such as Medicare-for-All or the Green New Deal. Those socialist-leaning proposals would easily cost tens of trillions of dollars over a decade, force Americans out of employer-provided health insurance that they like, and radically restructure the American economy. And they'd add tens of trillions to our deficits.

The President's budget represents a first step in our budget process, where we learn of the President's priorities and proposals. I can say that I agree that we must remain focused on important goals like reducing health care costs, continuing to rebuild the military, fighting against opioid abuse, and addressing the security and humanitarian crisis at our southern border.

I also know that this Committee is ready to help accomplish some of the goals in the President's budget, such as tackling issues surrounding high drug prices and confusing drug pricing.

I will note that the Budget is being put forward in the setting of a robust economy, and an economy that has been strengthening following enactment of tax reform. The economy and tax reform are benefitting Americans across the board.

As you mention in your testimony, Secretary Mnuchin, the tax rate cuts, doubling of the standard deduction, and expanded child tax credit give real benefits to hardworking American families. And, tax reform is fueling the economy.

During the Trump administration generally, and especially since tax reform was enacted, economic growth has topped three percent, business investment has been strong, job creation has been robust, real wage growth has accelerated, and incomes have grown.

In 2018, we saw more job openings than the number of people who are unemployed, and that signal of a robust labor market has persisted.

Unemployment has been remarkably low, overall and for Hispanic and for African American workers. And in my state of Iowa, unemployment stands at a record low 2.4%, the lowest rate in the country.

All of those strong economic numbers mean that hardworking Americans and their families are clearly benefiting from tax reform.

With that, I turn to Ranking Member Wyden for his opening remarks.