



Democratic Policy Committee  
United States Senate  
Washington, D.C. 20510-7050  
Senator Byron L. Dorgan, Chairman



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**OPENING STATEMENT OF  
DPC CHAIRMAN SENATOR BYRON DORGAN  
DEMOCRATIC POLICY COMMITTEE HEARING  
February 7, 2003**

(WASHINGTON, D.C.) Following is the text of the opening statement by U.S. Senator Byron Dorgan (D-ND), Chairman of the Senate Democratic Policy Committee, at the committee's hearing Friday to examine the Bush 2004 budget:

TEXT

A budget - any budget - represents choices and reflects priorities. This is true of a family budget, a budget for a small business or a large corporation, and it is certainly true of the Federal budget.

The budget that President Bush proposed this week makes clear what his priorities are, and while I agree with some of the decisions that he has made in his proposal, there are many choices that I don't agree with.

**Unbalanced, unwise tax cuts:** The President has proposed a massive \$694 Billion "economic growth package" that would do little to stimulate the economy and would direct nearly all of the benefits of the tax cut to just the top 20 percent of taxpayers. Nationwide, more than 42 million taxpayers would get no benefit at all from this proposal. In my home state of North Dakota, 96,500 taxpayers would get no relief and forty nine-percent of North Dakotans would get \$100 or less. Only a nickel of every dollar of this proposal would be spent this fiscal year. This is not a good choice if we are trying to stimulate economic recovery.

Over the next 10 years, the tax cuts would cost \$1.46 Trillion. The priority placed on these enormous tax cut proposals seems misplaced during a time when we are facing spiraling deficits and deep spending cuts.

**Dangerous spending reductions that hurt families and communities:** The President is proud that he has held overall spending to just 4 percent growth in 2004. But with an aging population that is expanding and increasingly reliant on Social Security and Medicare; with sharp increases in defense spending even without including costs of a war with Iraq; and with states facing dramatic fiscal crises, that number becomes irresponsible and wholly unrealistic.

- ✓ The budget dramatically underfunds education programs, including the President's own signature bill *No Child Left Behind*.
- ✓ Funding for environmental and natural resources programs is slashed by nearly 9 percent.
- ✓ Highway funding is cut by \$3.6 Billion.
- ✓ The COPS program - hugely successful in its effort to boost community policing - is reduced by over \$1 Billion.

- ✓ And job training programs which are so essential - especially when we are experiencing sharp increases in unemployment - are slated to be cut by 11 percent.
- ✓ In my home state of North Dakota, our communities will be devastated by the dramatic reductions in the Essential Air Service program which helps small cities to have air service;
- ✓ by the sharp cuts to Amtrak;
- ✓ by the proposals to slash agricultural research;
- ✓ and by his proposal to leave important flood control projects languishing for lack of funding.

These are not the choices that we ought to make. The President claims that these reductions are being made on behalf of the American people, but in fact these reductions are being made as a disservice to the American people.

**Huge deficits for years to come:** Two years ago, the President inherited a healthy budget surplus, a budget circumstance that predicted \$5.6 Trillion in surpluses over the next 10 years. Now, we face large deficits as far as the eye can see - deficits that will total more than \$2 Trillion over that same time period.

What is even more troubling is that the \$300 billion deficits that are forecast for the next two years are optimistic numbers. These estimates don't include any of the costs of a war with Iraq or a real Medicare prescription drug benefit; they factor in no emergency or disaster spending; and they assume a rapid return to positive economic growth, despite the fact that the President's stimulus package would do little to spur our economy.

In addition, if you don't include Social Security surpluses those deficits soar over \$460 Billion this year and \$482 Billion next year - - nearly half a trillion dollars!

And while some officials have argued that "deficits don't matter," most economists agree that long term, structural deficits raise interest rates and slow economic growth.

**Conclusion:**

Developing a budget - any budget - is difficult because tough choices have to be made and competing priorities have to be resolved. This is true of a family budget, a budget for a small business or a large corporation, and it is certainly true of the Federal budget.

But it seems to me that this budget proposal misses the mark when it comes to rejuvenating our economy, putting our fiscal house in order, and fulfilling our responsibilities to families and communities across the country.

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