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### Senator Conrad calls for solution to fiscal cliff and budget deficits

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Senate Budget Committee Chairman Kent Conrad told a Newsmaker Dec. 19 that he wanted a long-term budget agreement to avoid the more than \$600 billion in tax increases and spending cuts scheduled to take effect beginning next month, but expected a smaller deal in the new year.

"The country needs a fiscal plan to bring us back from the brink," he said. Even so, government spending helped bail out U.S. banks and President Barack Obama's stimulus package created millions of jobs and avoided a 16-percent unemployment rate, he said.

"Now we are facing the consequences" of that spending, however, he said. "We are borrowing 31 cents of every dollar."

While Conrad said he would like a "far more robust" budget deal than is now being discussed, any agreement "will help support certainty, important for the economy." Any deal, he said, should increase taxes on wealthy Americans, noting that a Congressional Research Service report that Senate Republicans tried to kill showed that a "reduction in the top tax rates have had little association with productivity growth" but instead was "associated with the increasing concentration of income at the top." He also questioned the disparity between taxes on wages and investments.

Conrad criticized attempts to cut future Social Security benefits as part of a deficit deal. He said that the system is solvent through 2033 and even afterwards will be able to pay out 75 percent of benefits. He said the real problem is health care, where the U.S. pays nearly double for a system with "outcomes not as good" as many European countries.

He said the deficit problem was man-made and "can be solved by man." The U.S. ran a surplus toward the end of Democratic President Bill Clinton's administration and deficits only returned after Republican George W. Bush and a Republican Congress cut taxes.

"Let's get this right once and for all," he said. "Let's end the fiscal cliff drama."

The North Dakota Democrat, who did not seek re-election last month, also called on Republican and Democratic lawmakers to have regular joint caucuses as a way to end the partisan gridlock that has paralyzed the political system.

"Now, both parties meet every week and most of that is focused on partisan advantage," he said. "There would be more continuity if the two parties' caucuses met together on a regular basis."



Retiring Senator Kent Conrad addresses an NPC Newsmaker event.

*Photo/Image: Noel St. John*