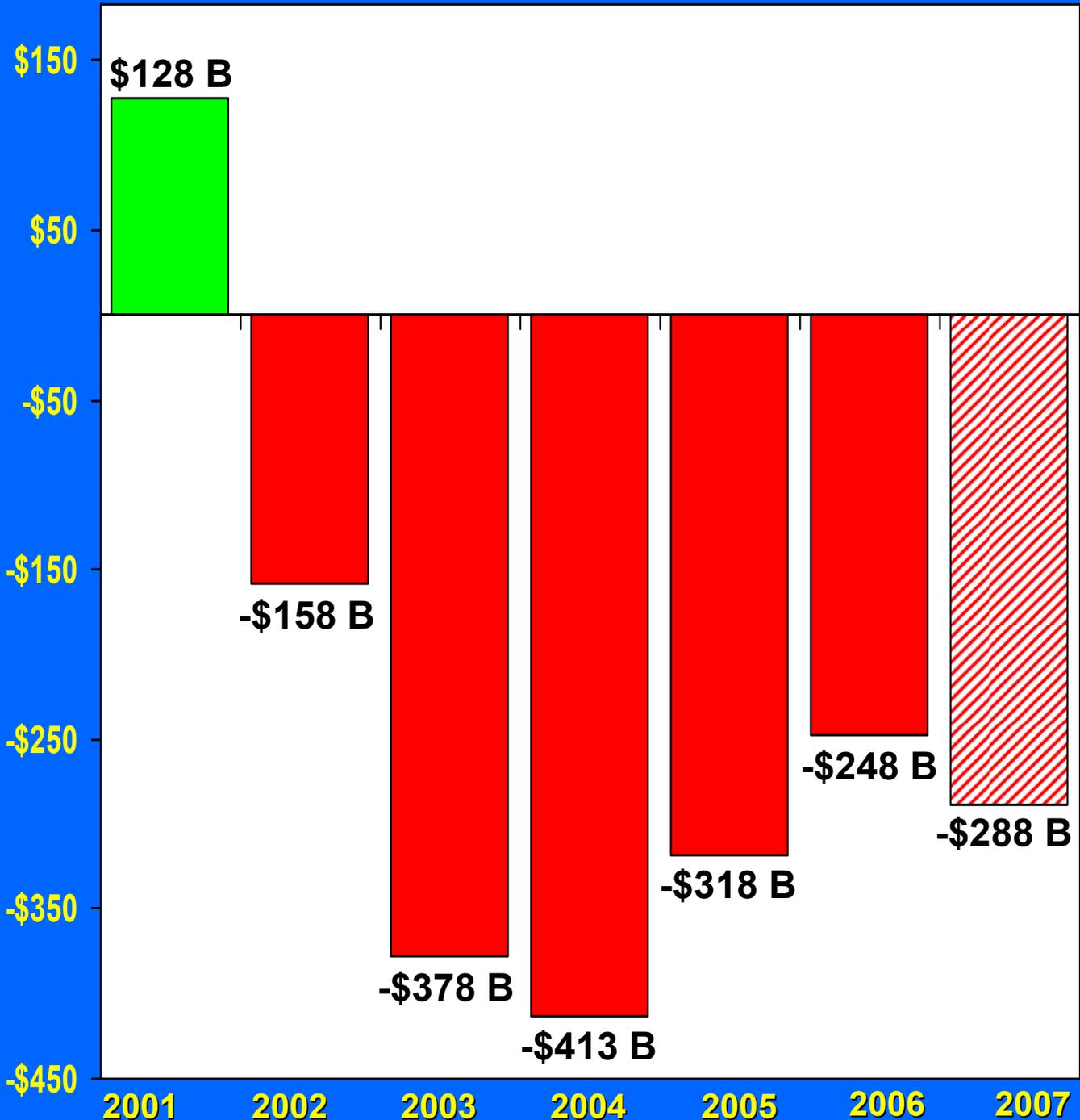


Dramatic Deterioration in Budget Picture

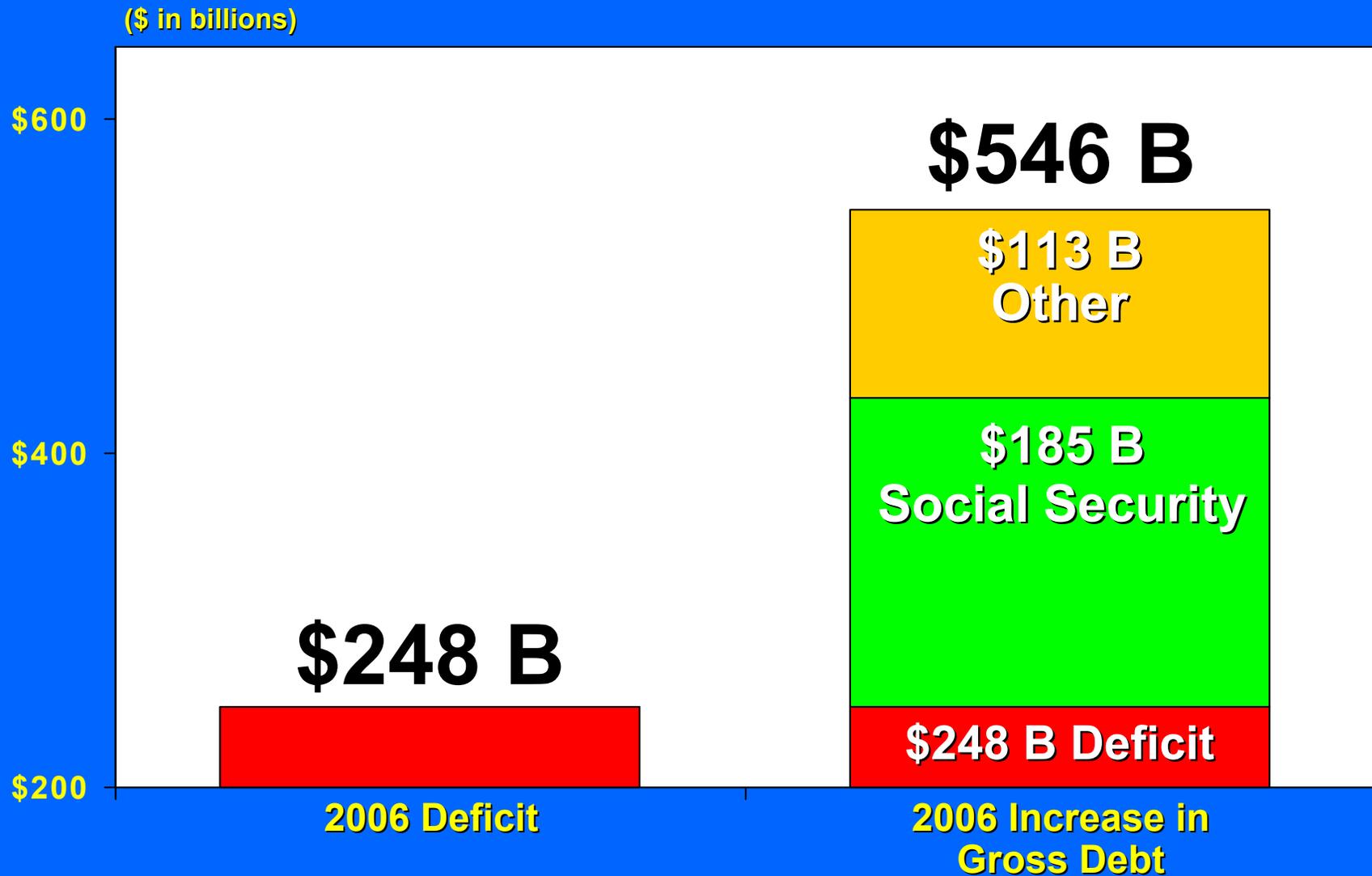
(Deficit in billions of \$)



Source: CBO, OMB/Treasury, and SBC Democratic staff

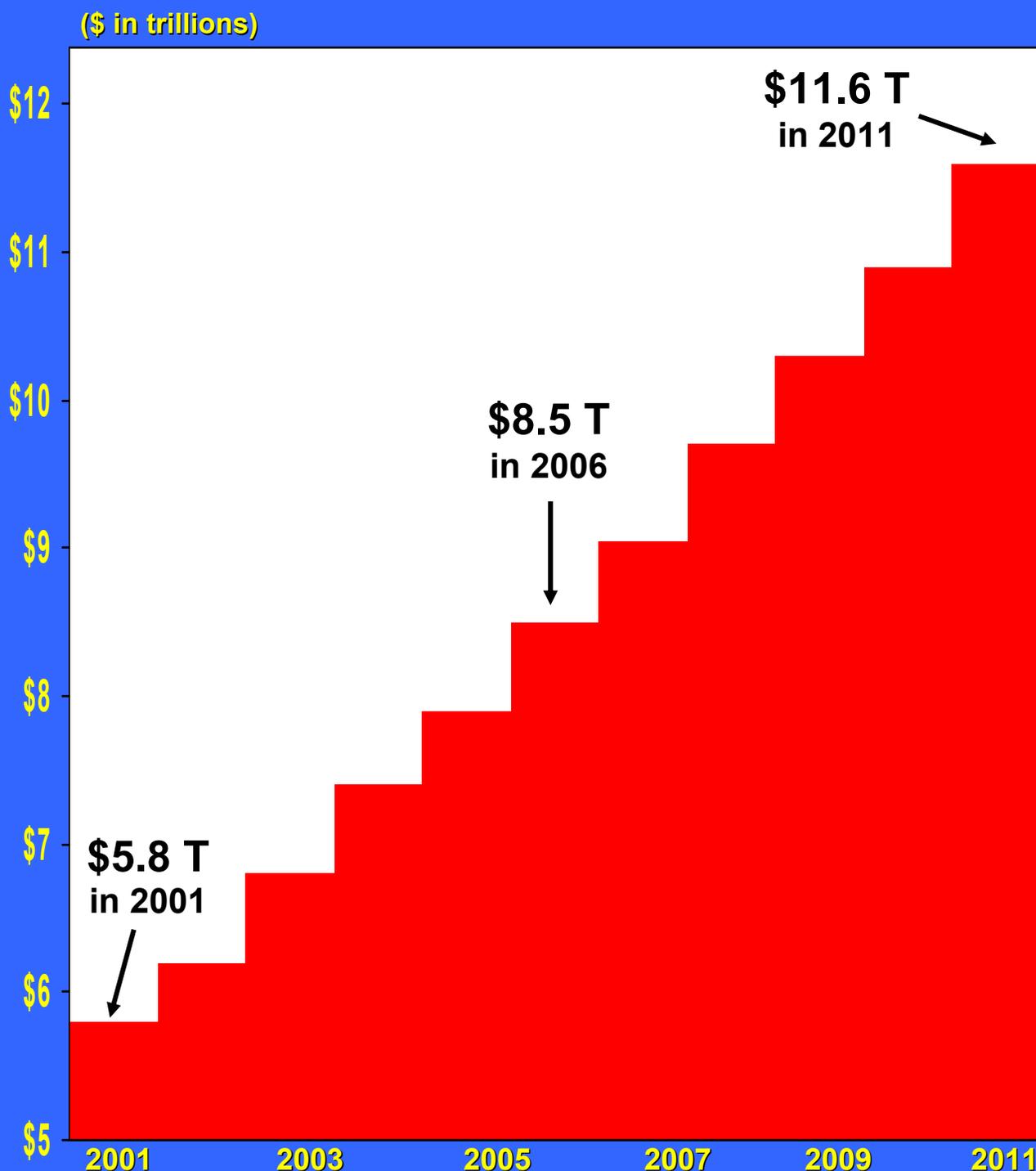
Note: For 2007, reflects CBO August 2006 Budget and Economic Outlook, with President's policies as reestimated by CBO in March and CBO's estimate of ongoing war costs and AMT reform.

Increase in Debt in 2006 is Far Greater Than the \$248 Billion Deficit



Building a Wall of Debt

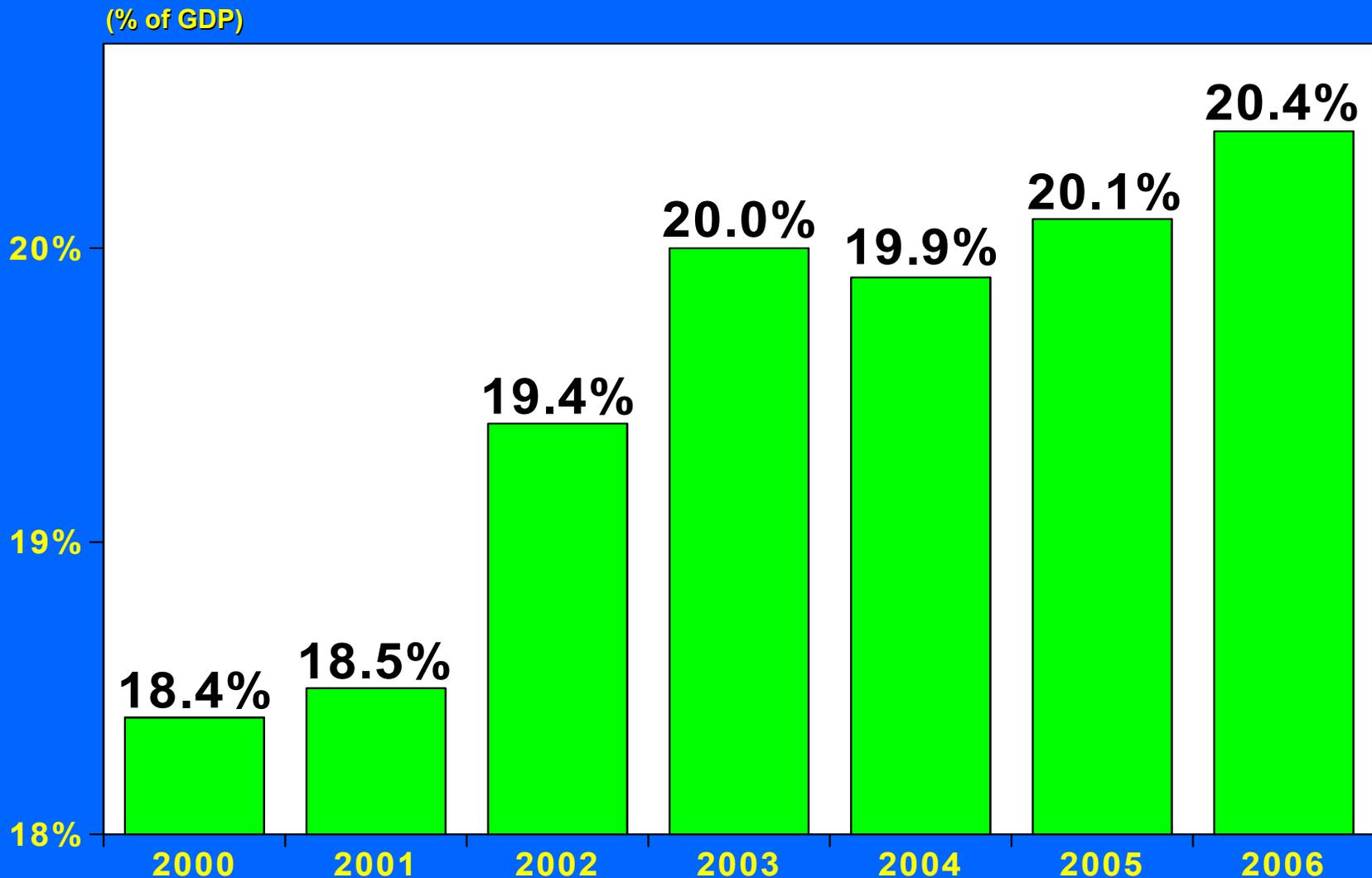
Gross Federal Debt Soars



Source: OMB, CBO and SBC Democratic staff

Note: CBO August 2006 Budget and Economic Outlook, with President's policies as reestimated by CBO in March and CBO's estimate of ongoing war costs and AMT reform.

Spending as a Percent of GDP Under Bush Administration



Source: CBO, OMB

“Sleight of Hand on Spending”

“...[T]he line-item veto is a convenient distraction. The vast bulk of the deficit is not the result of self-aggrandizing line items, infuriating as they are. The deficit is primarily caused by unwillingness to make hard choices on benefit programs or to levy the taxes to pay for the true costs of government.”

***– USA Today
March 23, 2006***

“No President Needs the Line-Item Veto”

“...[T]he president already has the only tool he needs: The veto. That Bush has declined to challenge Congress in five-plus years is his choice. The White House no doubt sees reviving this debate as a means of distracting people from the missteps, miscalculations, mistruths and mistakes that have dogged Bush and sent his approval rating south.

“The current problems are not systemic; they are ideological. A line-item veto will not magically grant lawmakers and the president fiscal discipline and economic sense.”

**– *The Roanoke Times (Virginia)*
March 7, 2006**

CBO Director Believes Bush Line Item Veto Unlikely to Greatly Affect Bottom Line

“Such tools, however, cannot establish fiscal discipline unless there is a political consensus to do so.... In the absence of that consensus, the proposed changes to the rescission process ... are unlikely to greatly affect the budget’s bottom line.”

**— Acting CBO Director Donald Marron
Testimony before House Rules Committee
March 15, 2006**

Senator Gregg Believes Passage of Line Item Veto Would Represent Only a “Political Victory”

“Passage of [the line item veto] legislation would be a ‘political victory’ that would not address long-term problems posed by growing entitlement programs, Gregg said.”

**– *CQ Today*
July 19, 2006**

Senator Gregg Believes Line Item Veto Would Have “Very Little Impact”

“...[Gregg] said it would have ‘very little impact’ on the budget deficit.”

**— BNA
July 20, 2006**

Conservative Columnist George Will Believes Line Item Veto Proposal Shifts Too Much Power to Executive Branch

“It would aggravate an imbalance in our constitutional system that has been growing for seven decades: the expansion of executive power at the expense of the legislature.”

**– George F. Will
Washington Post, “The Vexing
Qualities of a Veto”
March 16, 2006**

American Enterprise Institute Scholar Calls Line Item Veto Proposal “Shameful”

“The larger reality is that this [line item veto proposal] gives the president a great additional mischief-making capability, to pluck out items to punish lawmakers he doesn’t like, or to threaten individual lawmakers to get votes on other things, without having any noticeable impact on budget growth or restraint.

“More broadly, it simply shows the lack of institutionally integrity and patriotism by the majority in Congress. They have lots of ways to put the responsibility on budget restraint where it belongs – on themselves. Instead, they willingly, even eagerly, try to turn their most basic power over to the president. Shameful, just shameful.”

**– Norman Ornstein, Resident Scholar
at the American Enterprise Institute
Roll Call column
April 5, 2006**

Problems with Line Item Veto Proposal

- Represents abdication of congressional responsibility
- Shifts too much power to Executive Branch and likely to have little impact on deficit
- Provides President up to a year to submit rescission request
- Requires Congress to vote on President's proposals within 10 days
- Provides no opportunity to amend or filibuster proposed rescissions
- Allows President to cancel new mandatory spending proposals passed by Congress, such as those dealing with Social Security, Medicare, veterans, and agriculture