

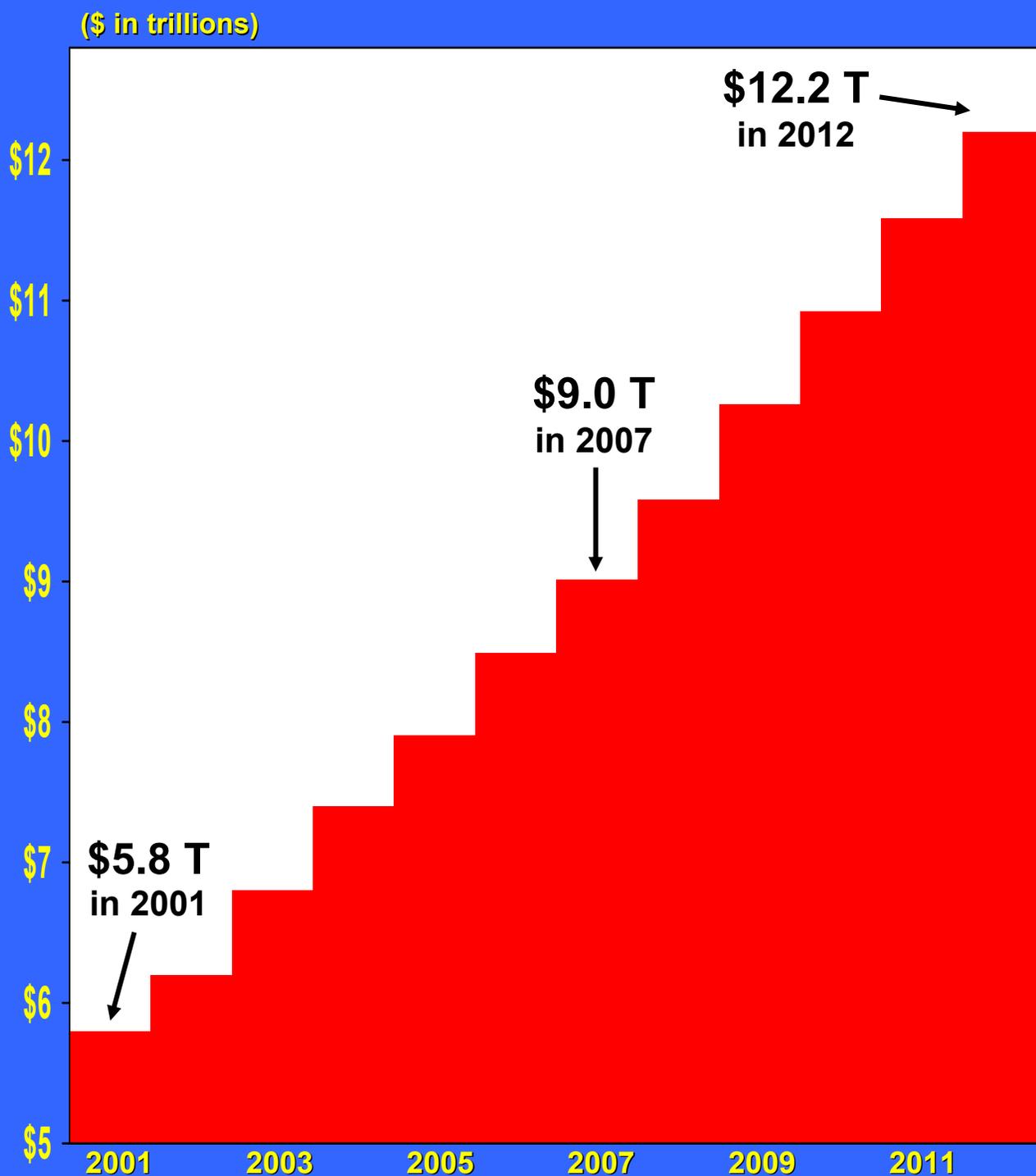
Bush Administration on Importance of Paying Down Debt

**“A priority of mine in my
budget will be paying down
national debt.”**

**–President George W. Bush
Remarks at Tax Family Event
St. Louis, Missouri
February 20, 2001**

Building a Wall of Debt

Gross Federal Debt Soars



Source: OMB, CBO and SBC Democratic staff

Note: Bush FY 2008 budget extended over ten years with AMT reform and ongoing war costs.

Bush Administration Belittled Suggestions War Would Be Costly

STEPHANOPOULOS: “What should the public know right now about what a war with Iraq would look like and what the cost would be?”

RUMSFELD: “...The Office of Management and Budget estimated it would be something under \$50 billion.”

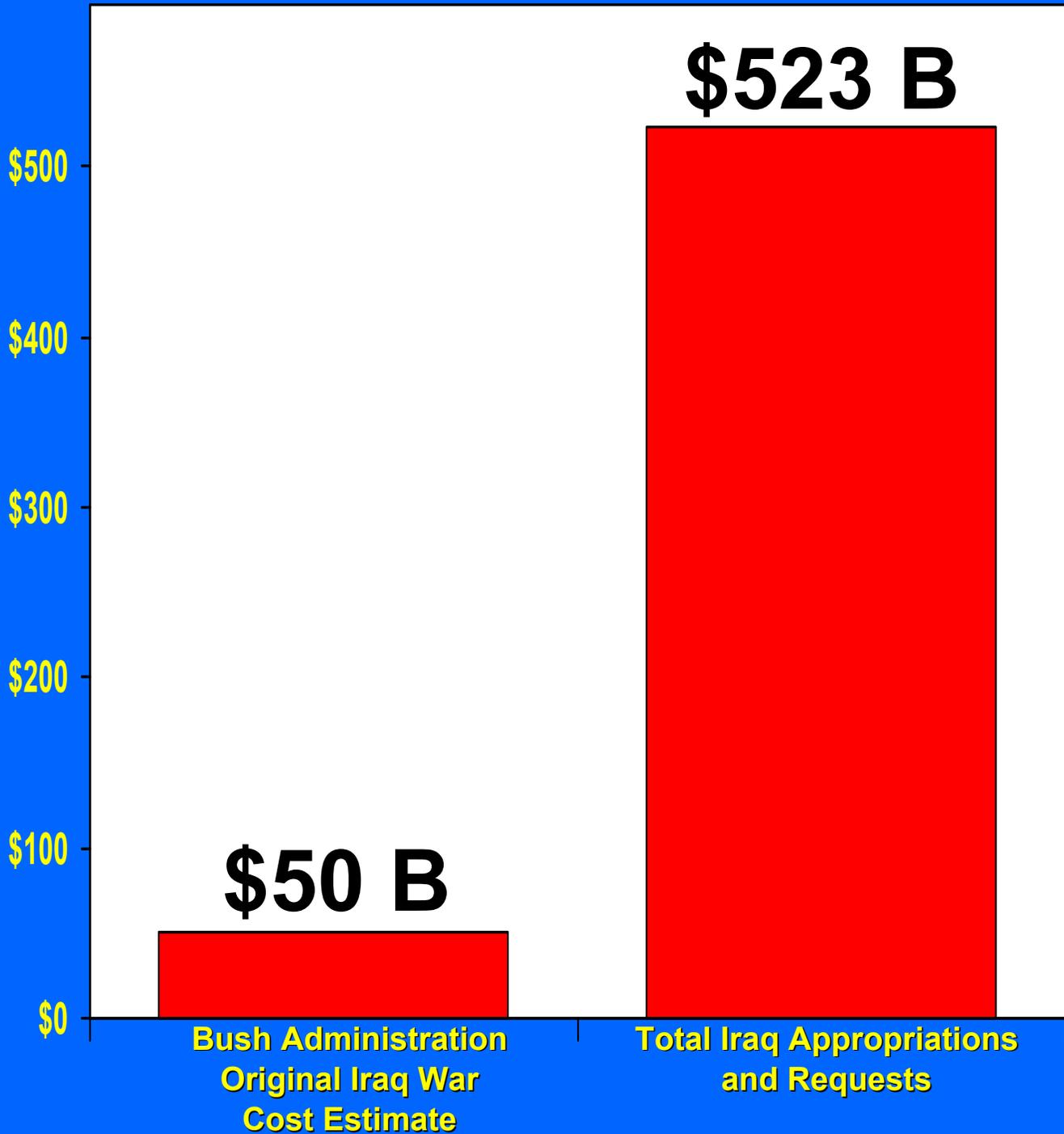
STEPHANOPOULOS: “Outside estimates say up to \$300 billion.”

RUMSFELD: “Baloney.”

— **Defense Secretary Donald Rumsfeld
Interview on ABC’s “This Week with
George Stephanopoulos”
January 19, 2003**

Iraq War Costs Exceed Half a Trillion Dollars

(\$ in billions)



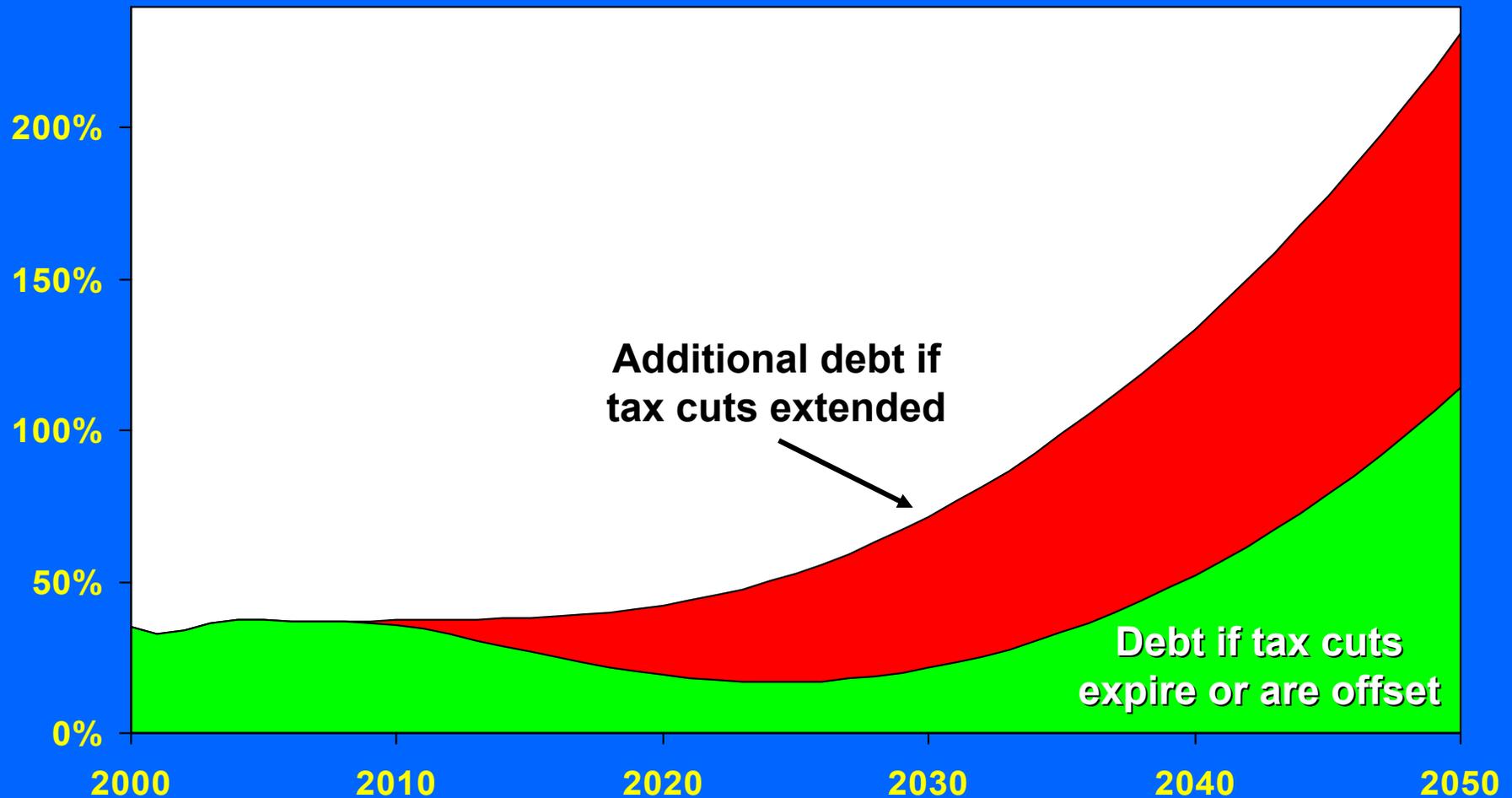
Source: OMB, CBO, and SBC Democratic staff

What's Left Out of Bush Budget

- ✗ Full Out-Year War Costs Beyond FY 2008**
- ✗ AMT Reform Beyond 2007**
- ✗ Spending Policy Details Beyond FY 2008
(Discretionary)**

Debt Explodes if All Tax Cuts are Extended Without Offsets

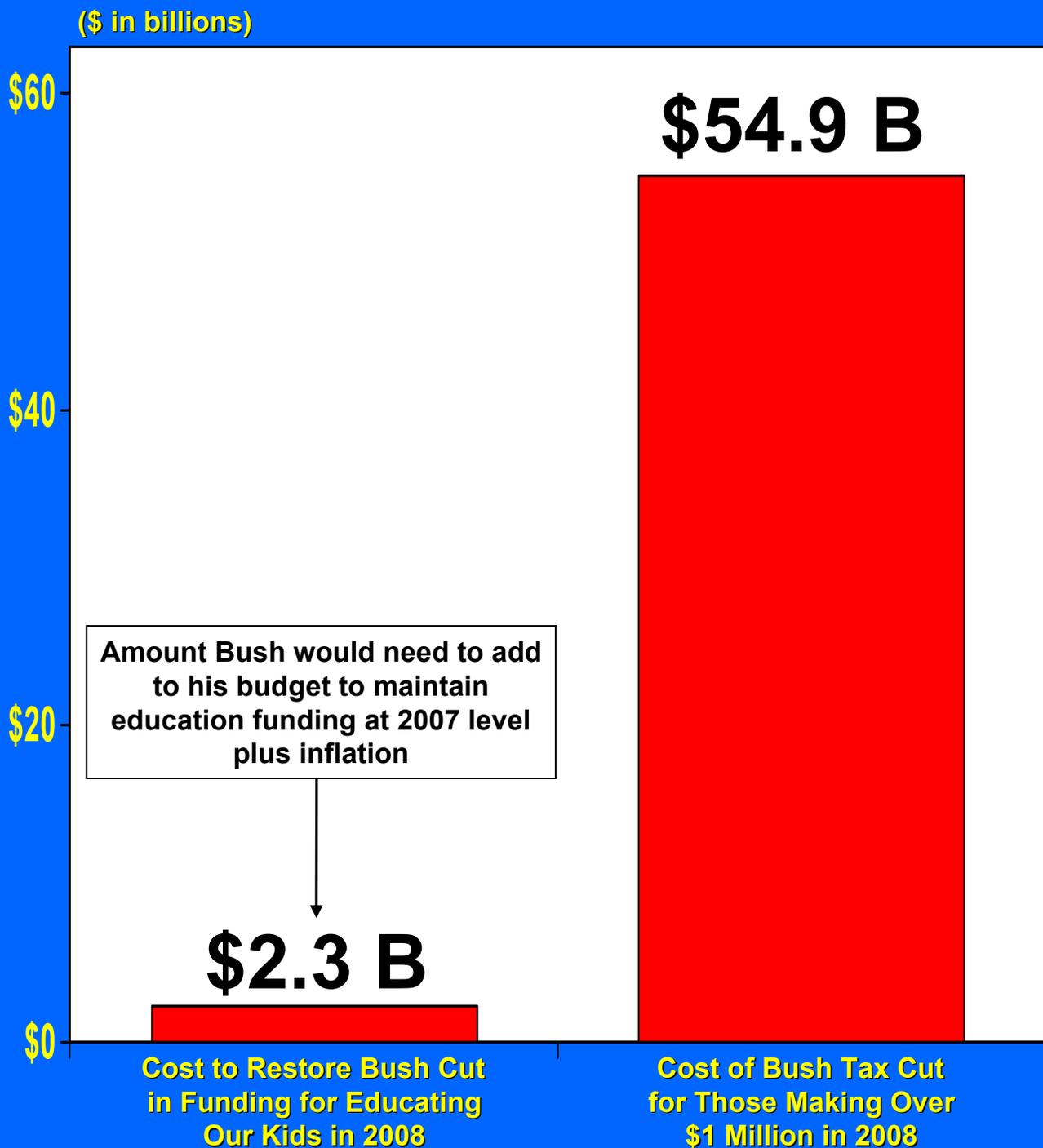
Debt as a Share of the Economy



Source: CBPP projections based on CBO data.

The Wrong Priorities:

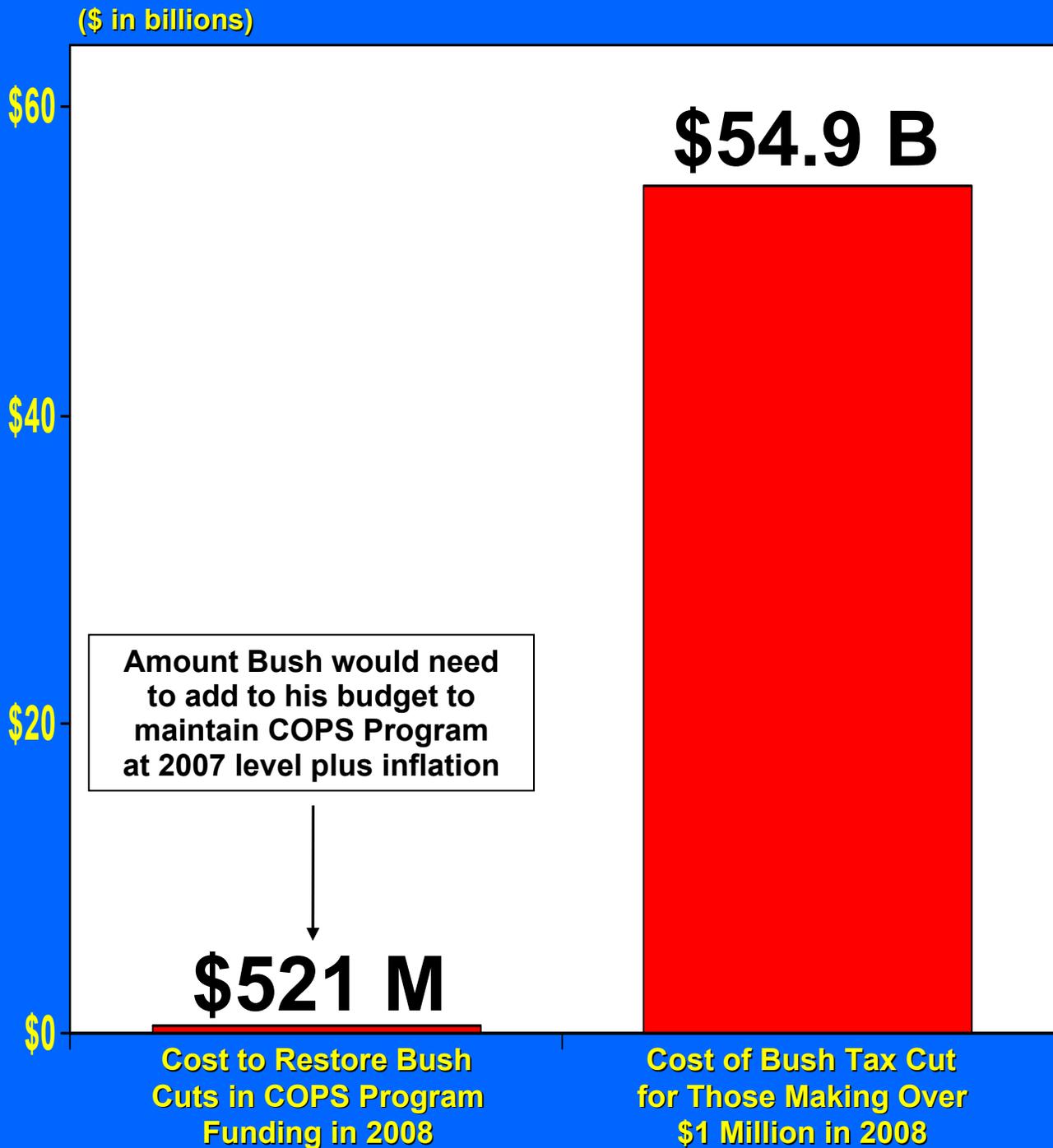
Bush Plan to Cut Education Funding Saves Little Compared to Cost of Tax Cuts for Millionaires



Source: CBO, Urban-Brookings Tax Policy Center, and SBC Democratic staff
Note: 2007 level set under House-passed long-term Continuing Resolution.

The Wrong Priorities:

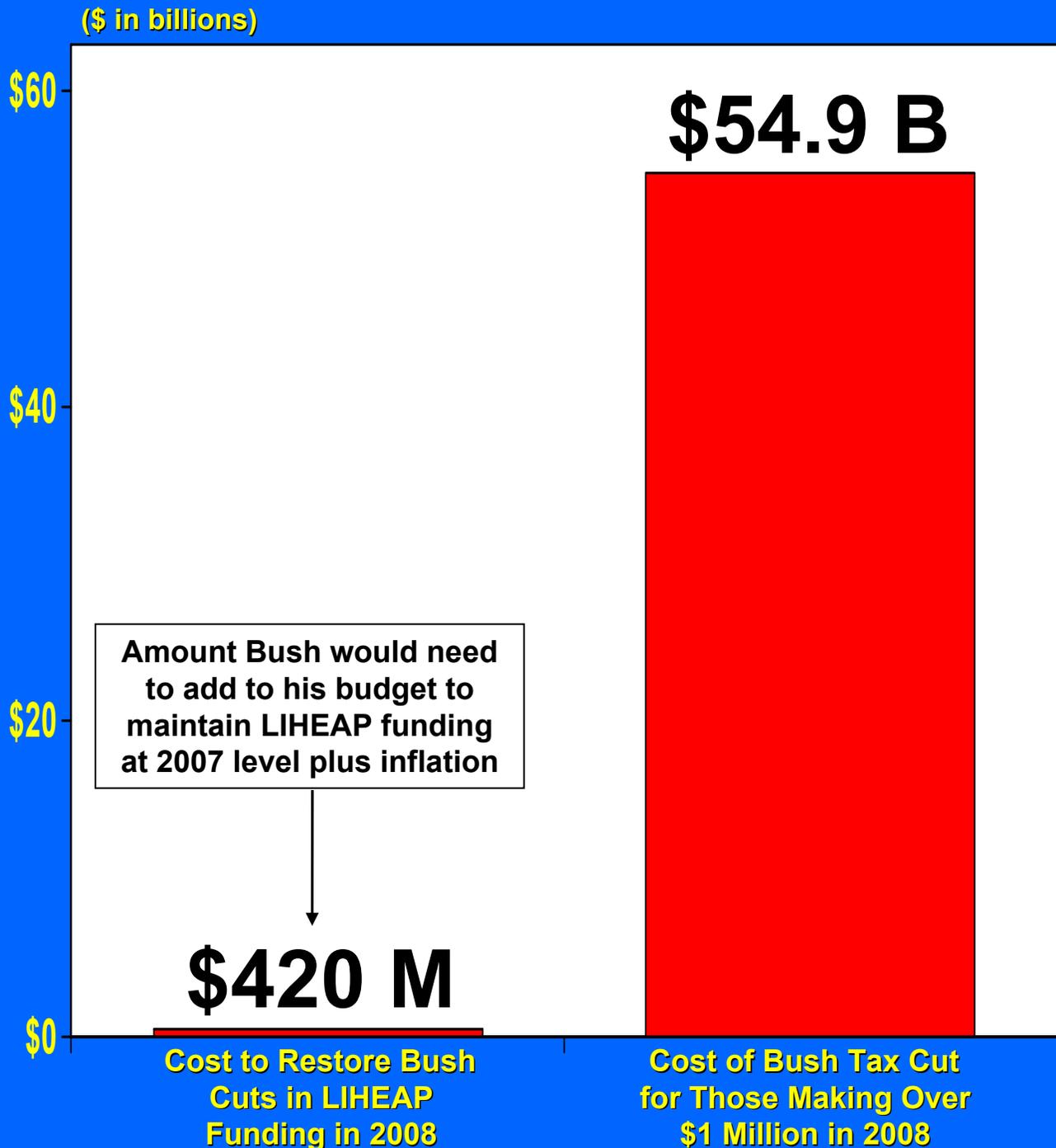
Bush Plan to Cut COPS Program by 94% Saves Little Compared to Cost of Tax Cuts for Millionaires



Source: CBO, Urban-Brookings Tax Policy Center, and SBC Democratic staff
Note: 2007 level set under House-passed long-term Continuing Resolution.
COPS funding excludes rescission of prior year unobligated balances.

The Wrong Priorities:

Bush Plan to Cut LIHEAP Funding Saves Little Compared to Cost of Tax Cuts for Millionaires



Source: CBO, Urban-Brookings Tax Policy Center, and SBC Democratic staff
Note: 2007 level set under House-passed long-term Continuing Resolution.

Federal Reserve Chairman Bernanke on Budget Outlook

“... [O]ne might look at these projections and say, ‘Well, these are about 2030 and 2040 and ... so we don’t really have to start worrying about it yet.’ But, in fact, the longer we wait, the more severe, the more draconian, the more difficult ... the adjustments are going to be. I think the right time to start is about 10 years ago.”

**–Federal Reserve Chairman Ben Bernanke
Testimony before Senate Budget Committee
January 18, 2007**