

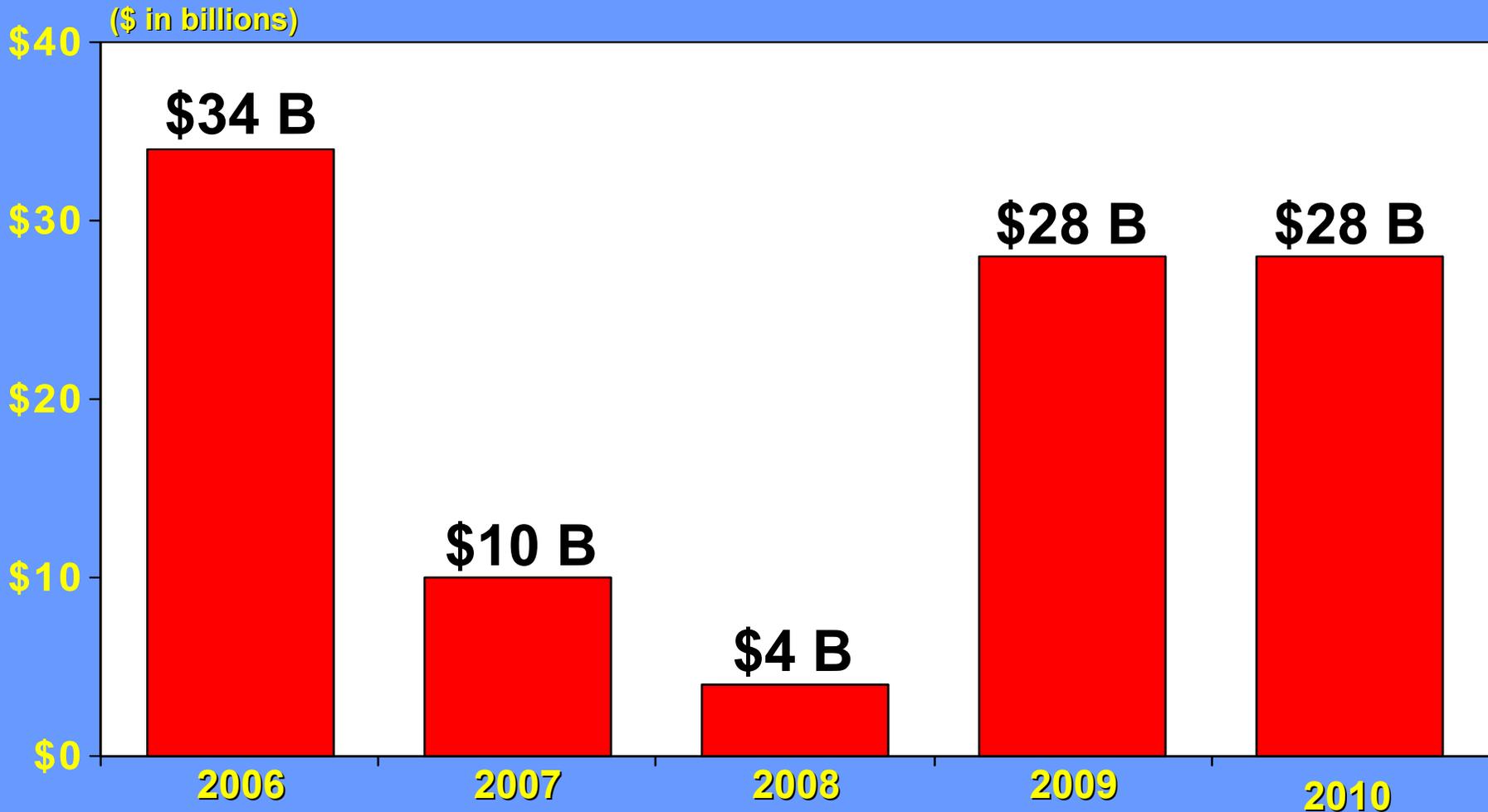
# President Bush on the Budget Deficit

**“We’ve got to do something about  
the deficit.... It’s important.”**

**– President George W. Bush  
“Conversation” on Job Training  
Arnold, Maryland  
March 2, 2005**

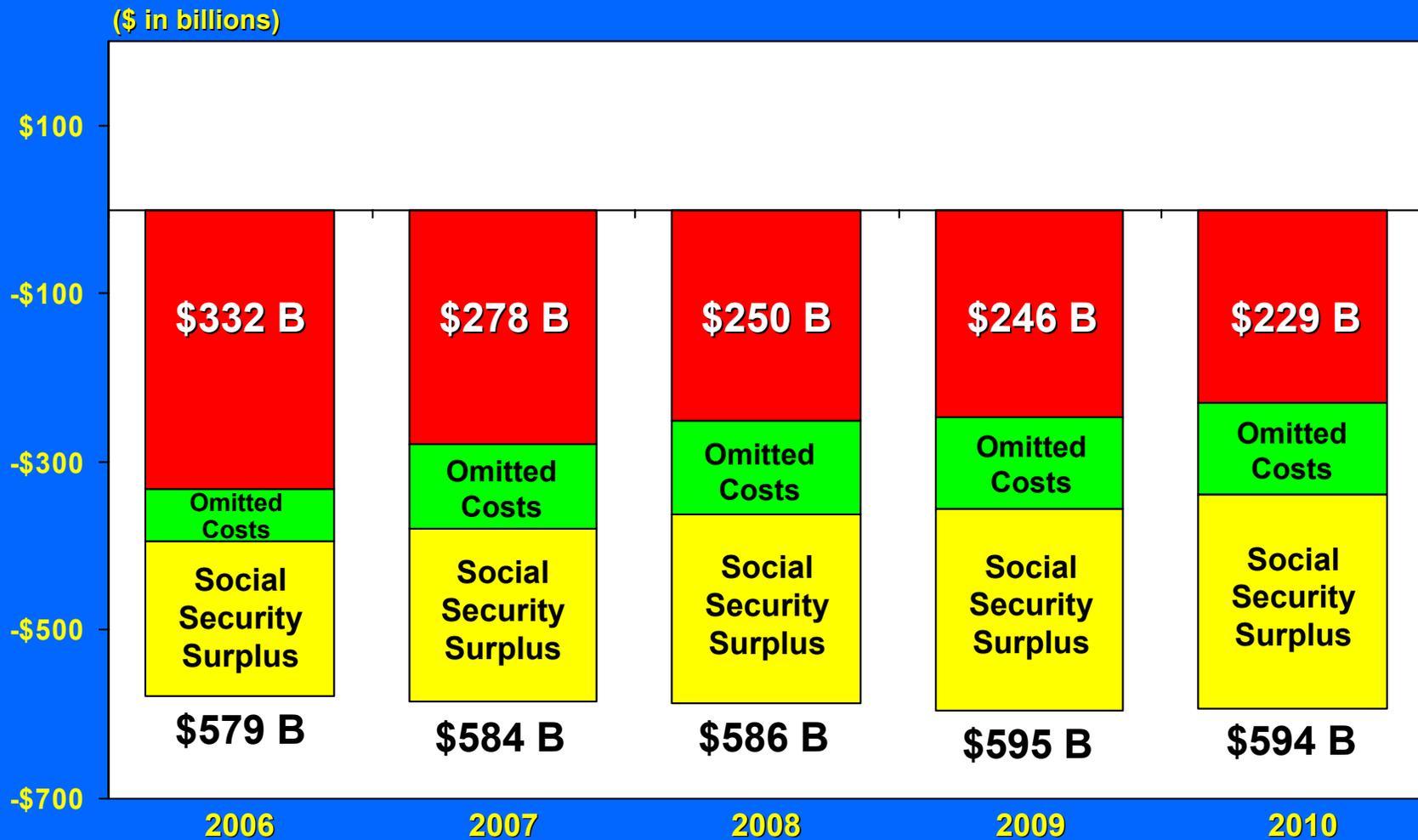
# Bush Budget Plan Increases the Deficit by \$104 Billion Over 5 Years

Increase Above CBO Baseline Deficit



Source: CBO March reestimate of the Bush FY 2006 budget.

# Deficits Under Bush Budget with AMT Reform, Ongoing War Costs, and Social Security Surplus Spent



Source: CBO

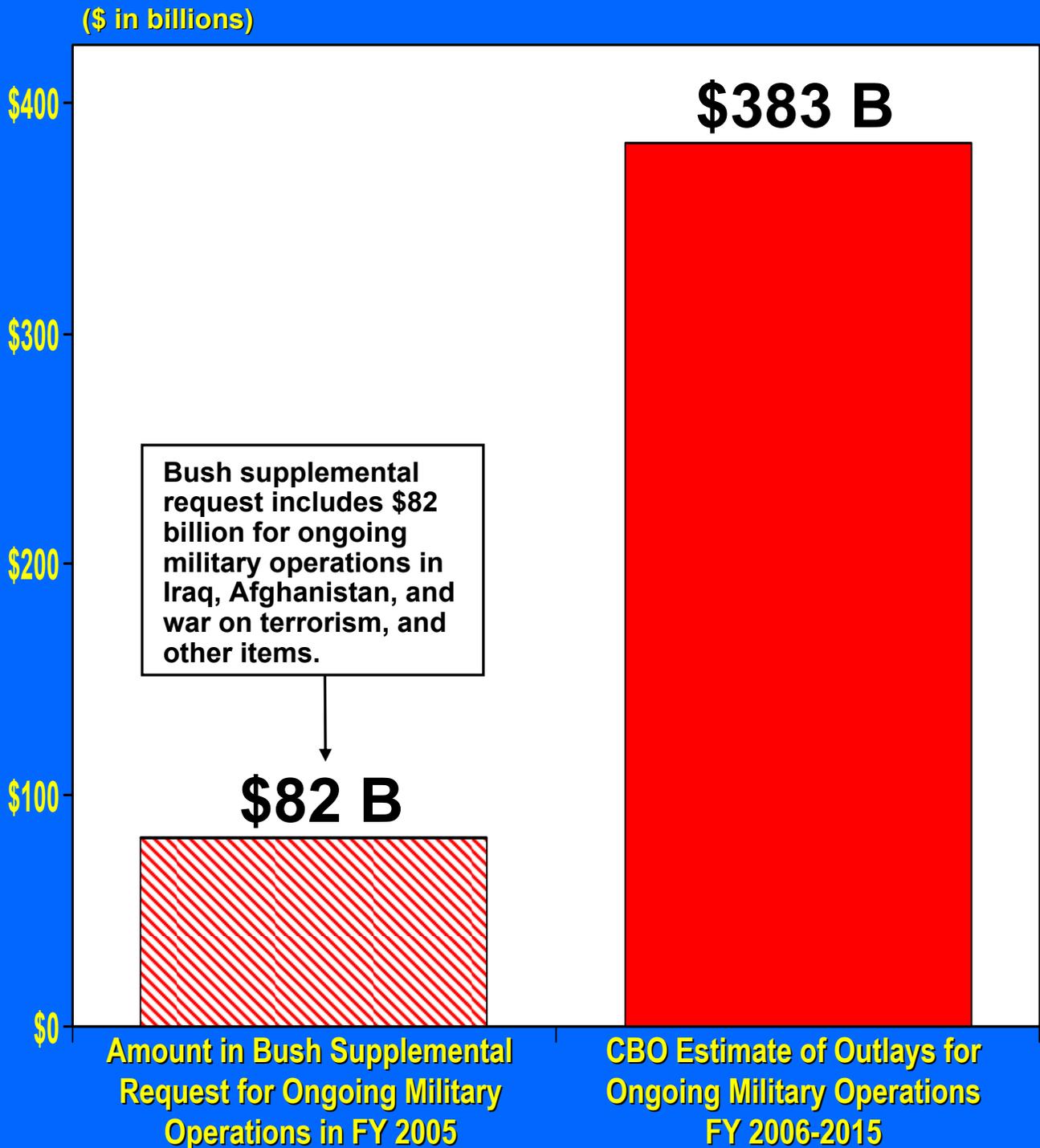
Note: CBO March 2005 reestimate of Bush FY 2006 budget. Omitted costs include AMT reform and ongoing war costs.

# **Comptroller General Walker Warns That Fiscal Outlook is Worse Than Claimed**

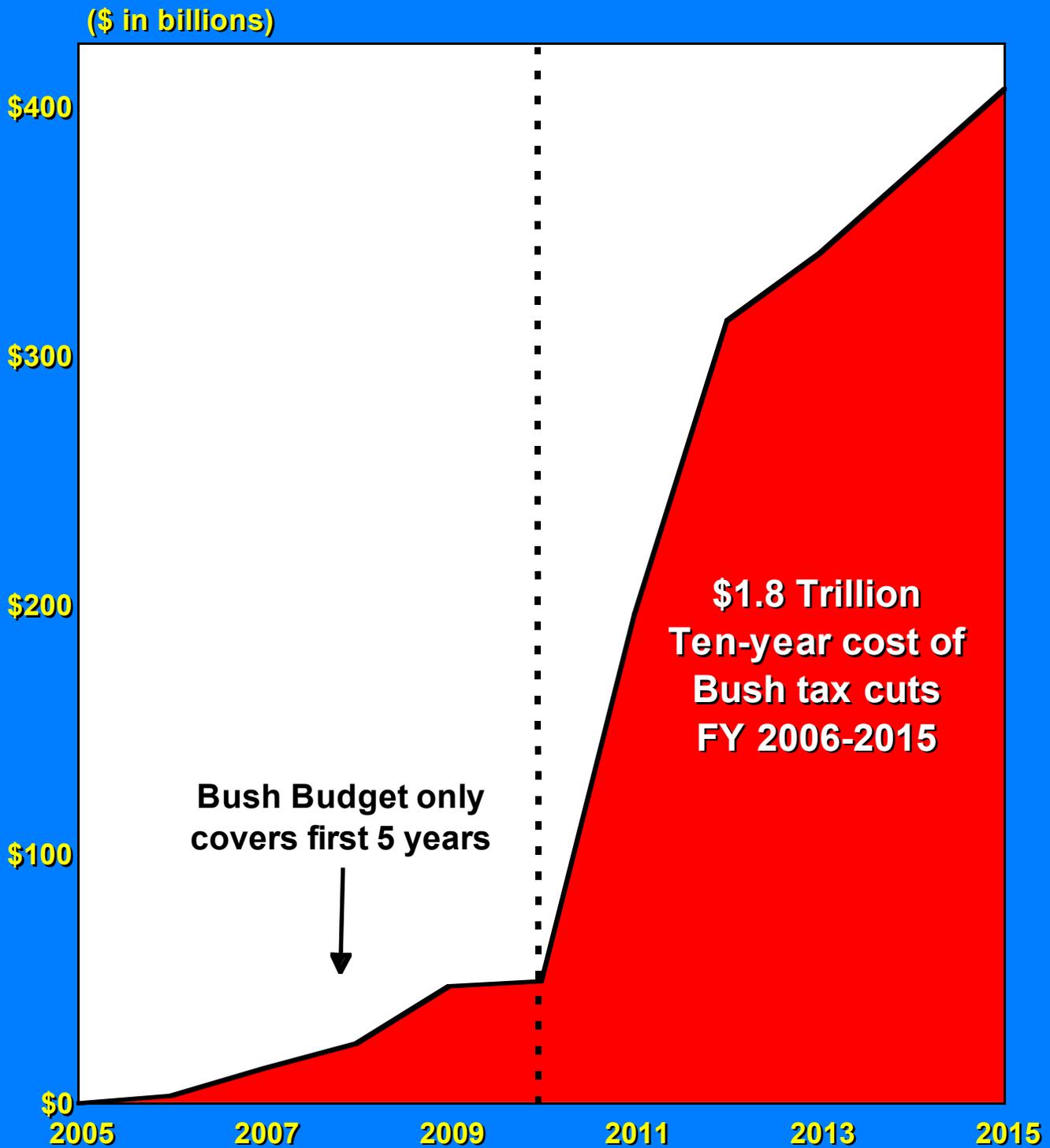
**“The simple truth is that our  
nation’s financial condition is  
much worse than advertised.”**

**–GAO Comptroller General David M. Walker  
Speech to National Press Club  
February 2, 2005**

# Long-Term Costs Underfunded for Ongoing Operations in Iraq, Afghanistan, and Continuing War on Terror



# Cost of Bush Tax Cuts Explodes Outside Five-Year Budget Window

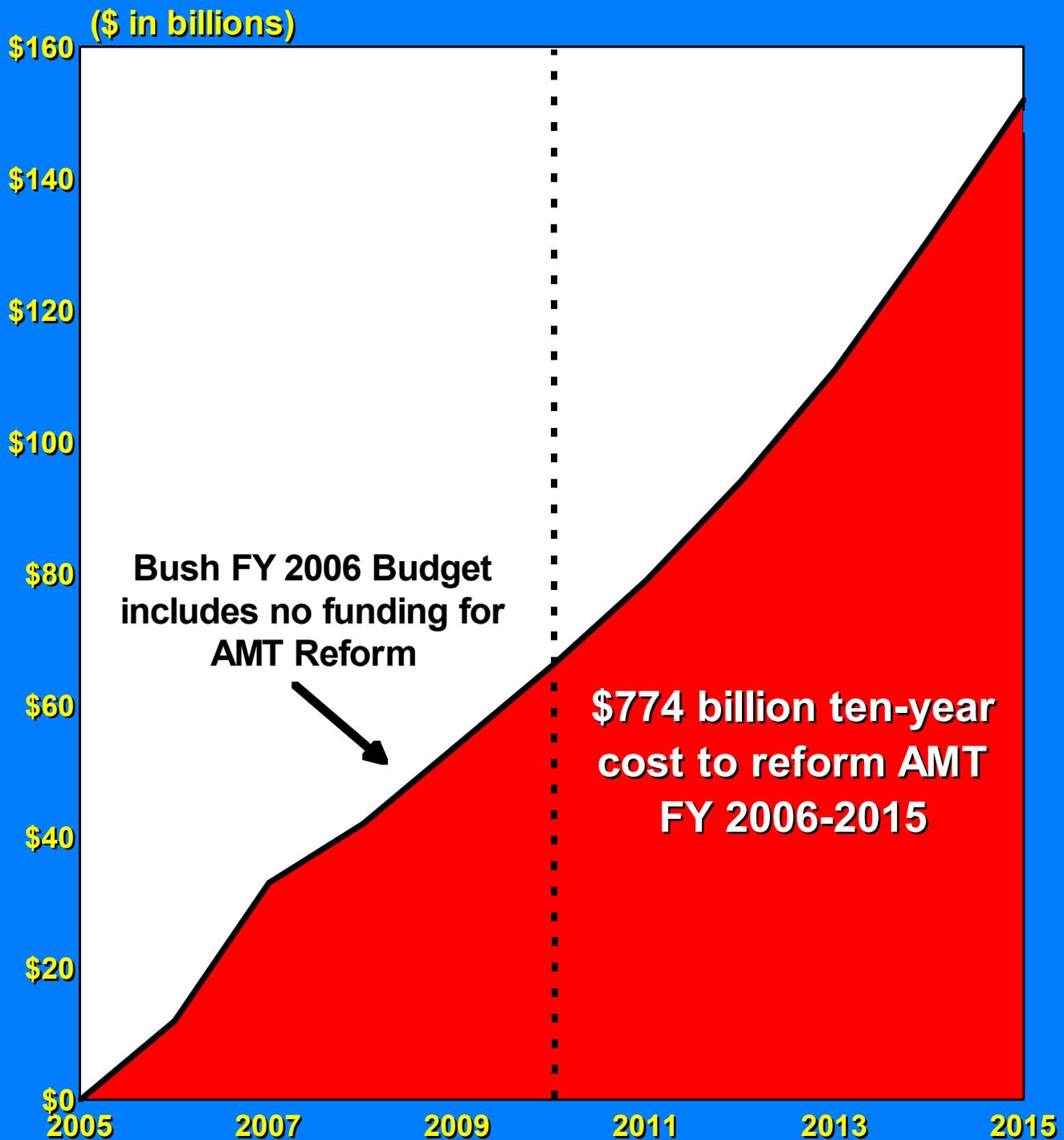


Source: CBO, Bush FY 2006 Budget

Note: Includes debt service. CBO March 2005 reestimate of Bush FY 2006 budget with AMT reform, ongoing war costs, and the President's Social Security privatization plan.

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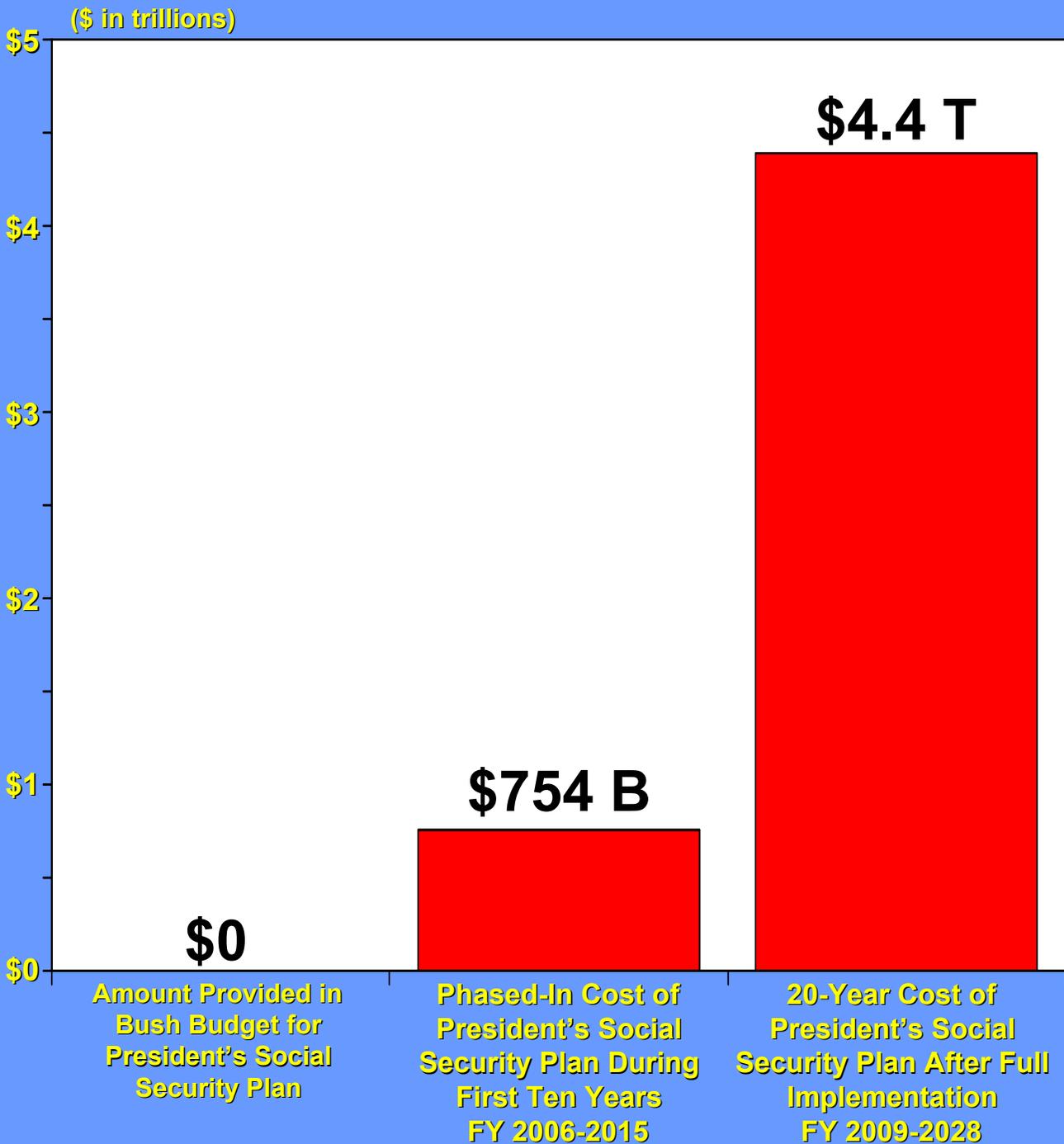
# Cost of AMT Reform Explodes Outside Five-Year Budget Window



Source: CBO

Note: Includes interest cost, assumes tax cuts made permanent.

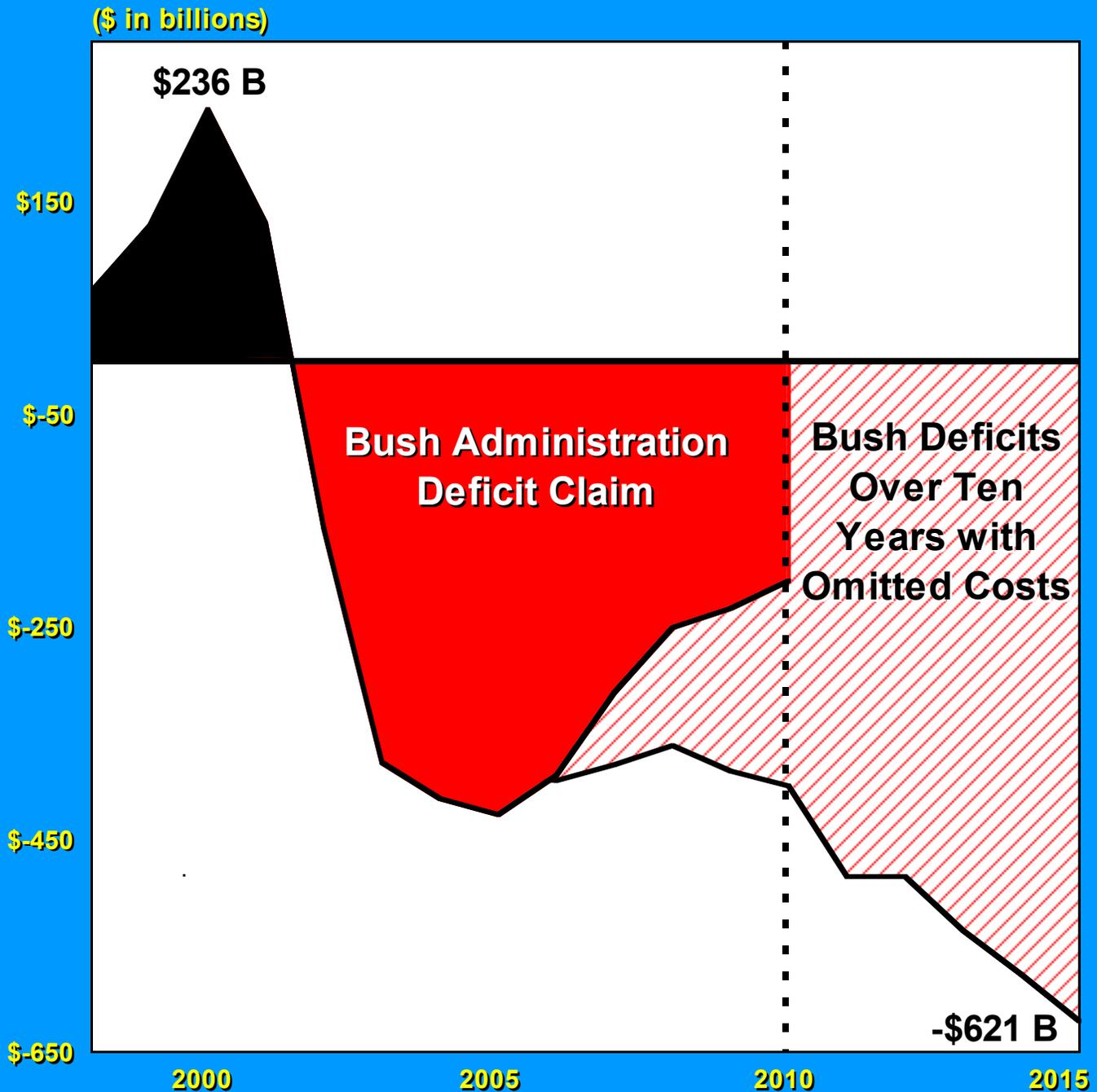
# Bush Budget Provides No Funding for President's Social Security Plan



Note: The 20-year cost of President's Social Security plan assumes price indexing of benefits.

Source: OMB, SSA, CBPP

# Bush Budget Hides Worsening Budget Outlook



Source: OMB, CBO, SBC Democratic staff  
Note: CBO March 2005 reestimate of Bush FY 2006 budget with AMT reform, ongoing war costs, and the President's Social Security privatization plan.

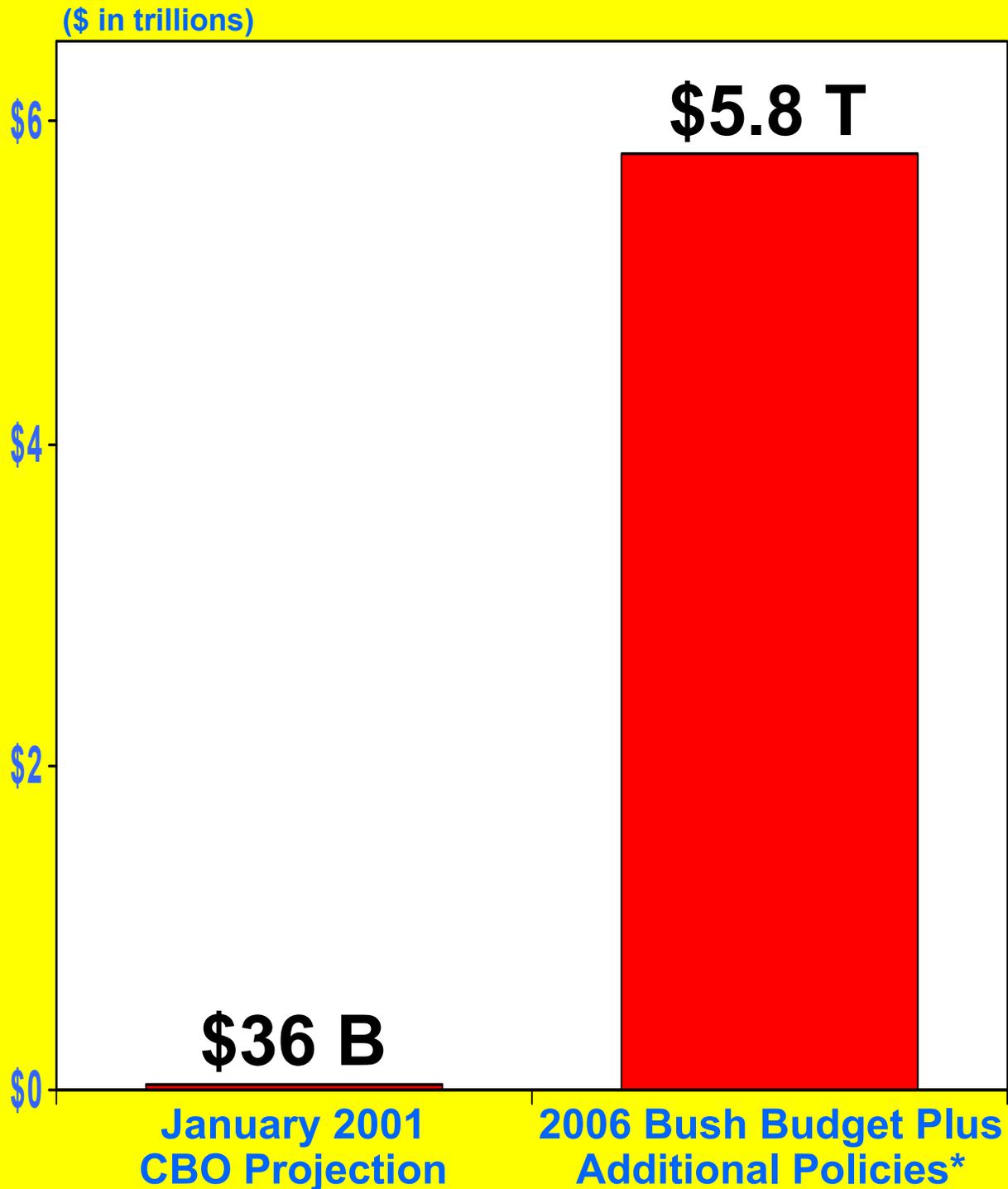
# **President Bush Still Promises to Not Pass on Problems**

**“I believe the job of a President is  
to confront problems and not pass  
them on to future Presidents and  
future generations.”**

**– President George W. Bush  
“Conversation” on Social Security Reform  
Raleigh, North Carolina  
February 10, 2005**

# Debt Held by the Public Soars by 2008

\$5.8 Trillion More Debt, Assuming Bush Budget Policies



\*CBO March 2005 reestimate of Bush FY 2006 budget with AMT reform, ongoing war costs, and the President's Social Security privatization plan.  
Source: SBC Democratic staff

# Top Ten Countries Holding Our National Debt

Japan	\$712 B
China	\$194 B
United Kingdom	\$164 B
“Caribbean Banking Centers”	\$69 B
South Korea	\$69 B
OPEC	\$60 B
Taiwan	\$59 B
Germany	\$54 B
Hong Kong	\$53 B
Switzerland	\$51 B

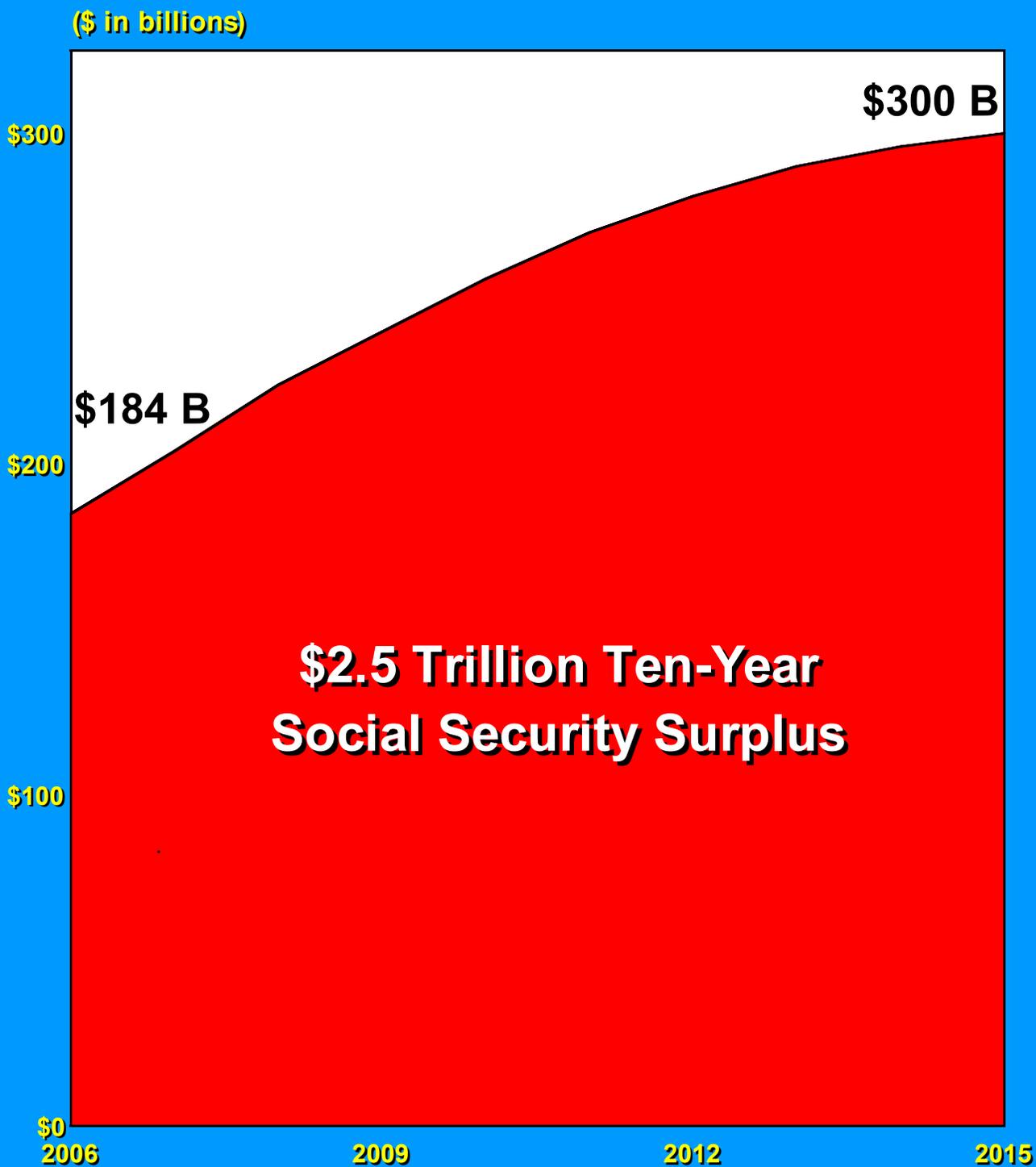
Source: Department of Treasury  
Note: As of December 2004

# **President Bush Promised to Protect Social Security**

**“None of the Social Security surplus  
will be used to fund other spending  
initiatives or tax relief.”**

**– Excerpt from President Bush’s FY 2002 Budget  
*A Blueprint for New Beginnings***

# Bush Budget Spends Every Penny of \$2.5 Trillion Social Security Surplus on Tax Cuts and Other Things FY 2006-2015



Source: CBO

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# Tax Cuts Explode as Trust Fund Cash Surpluses Become Deficits FY 2006-2025

