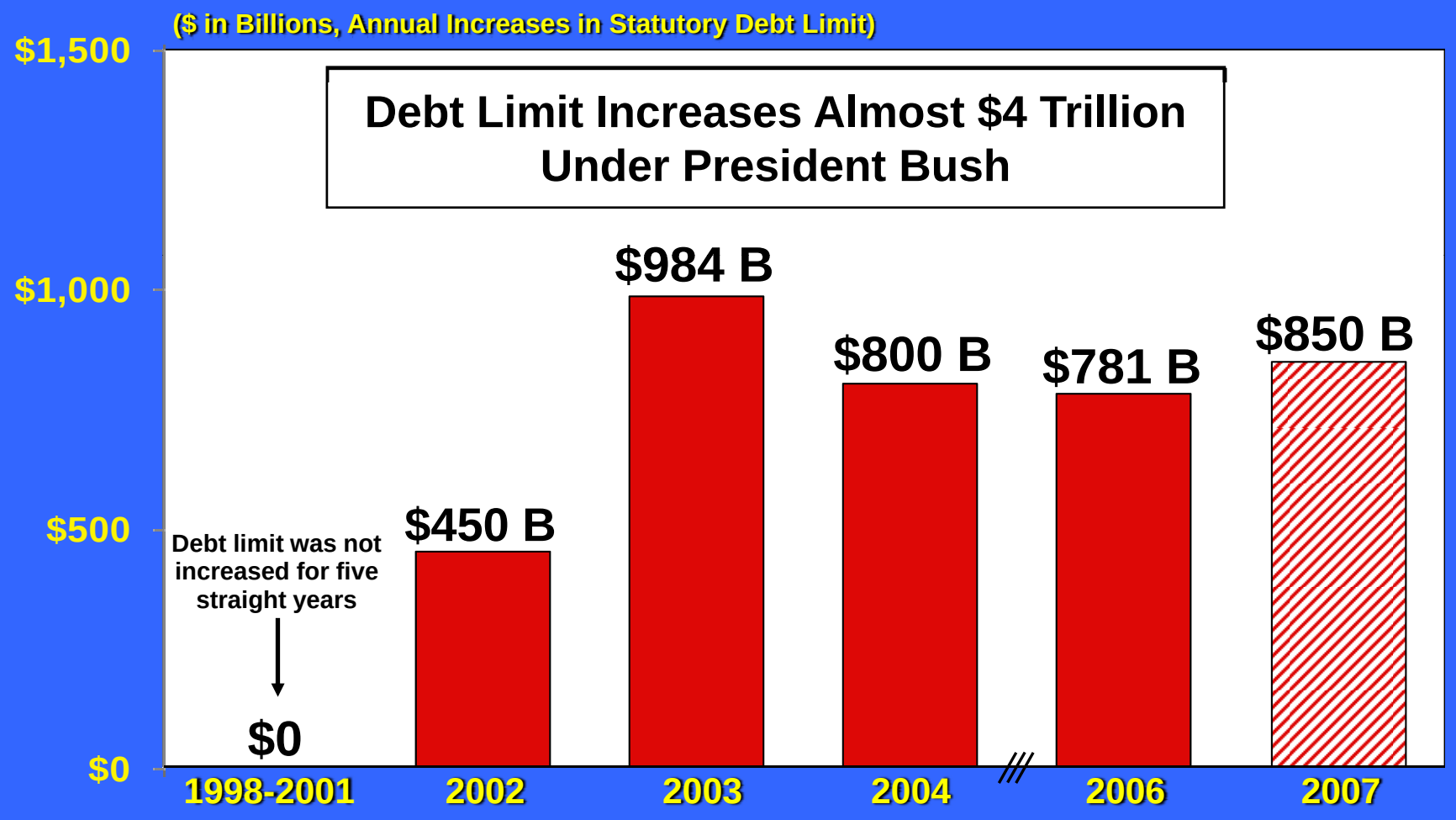
Bush Administration on Importance of Paying Down Debt

"...(M)y budget pays down a record amount of national debt. We will pay off $2 trillion of debt over the next decade. That will be the largest debt reduction of any country, ever. Future generations shouldn't be forced to pay back money that we have borrowed. We owe this kind of responsibility to our children and grandchildren."

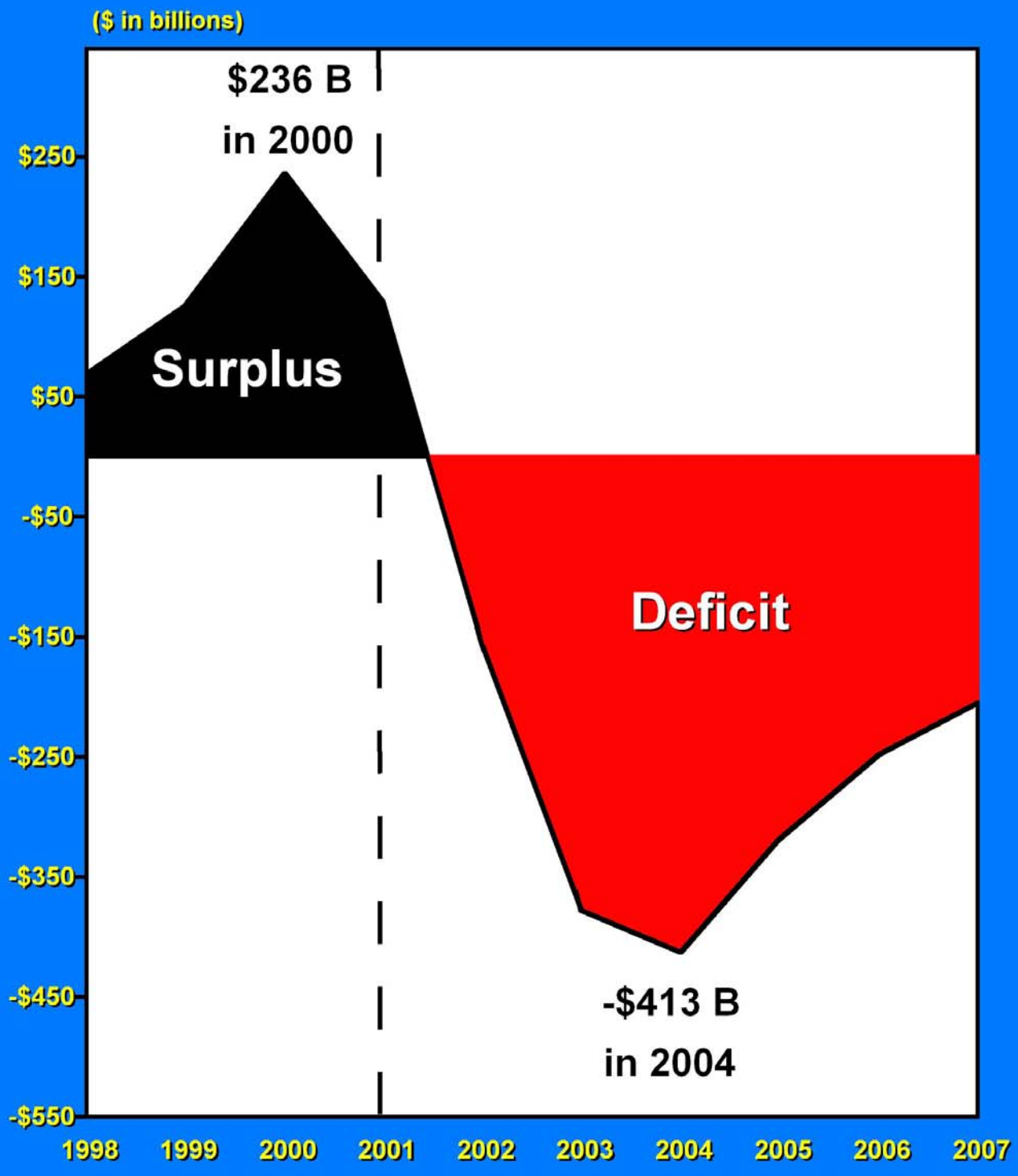
–President George W. Bush
Radio Address
March 3, 2001

Bush Administration Requests Fifth Debt Limit Increase



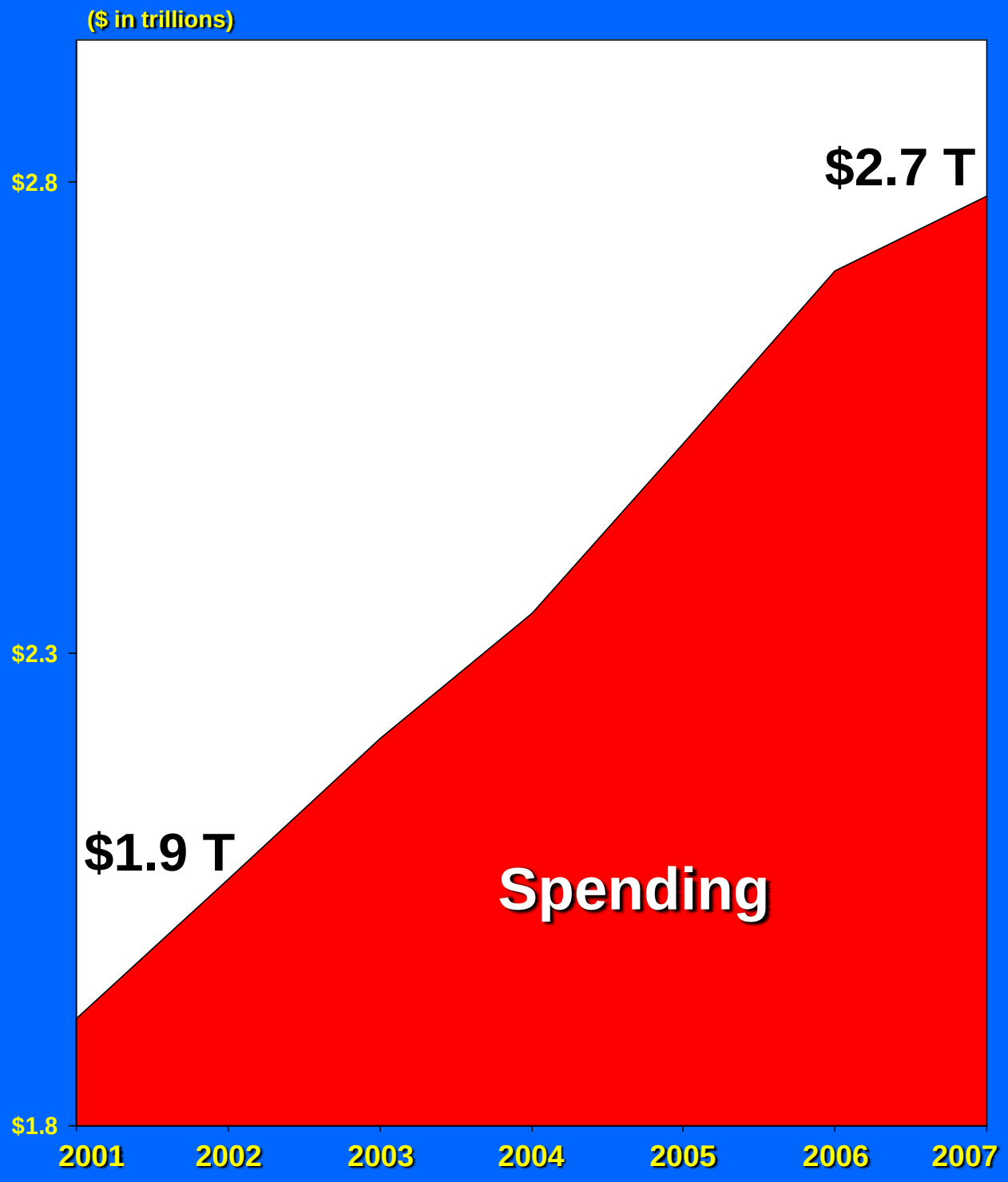
Source: OMB, SBC
Note: Debt limit was not increased between August 1997 and June 2002. 2007 debt limit increase in FY 2008 Budget Resolution.

Dramatic Deterioration in Budget Picture Under Bush Policies



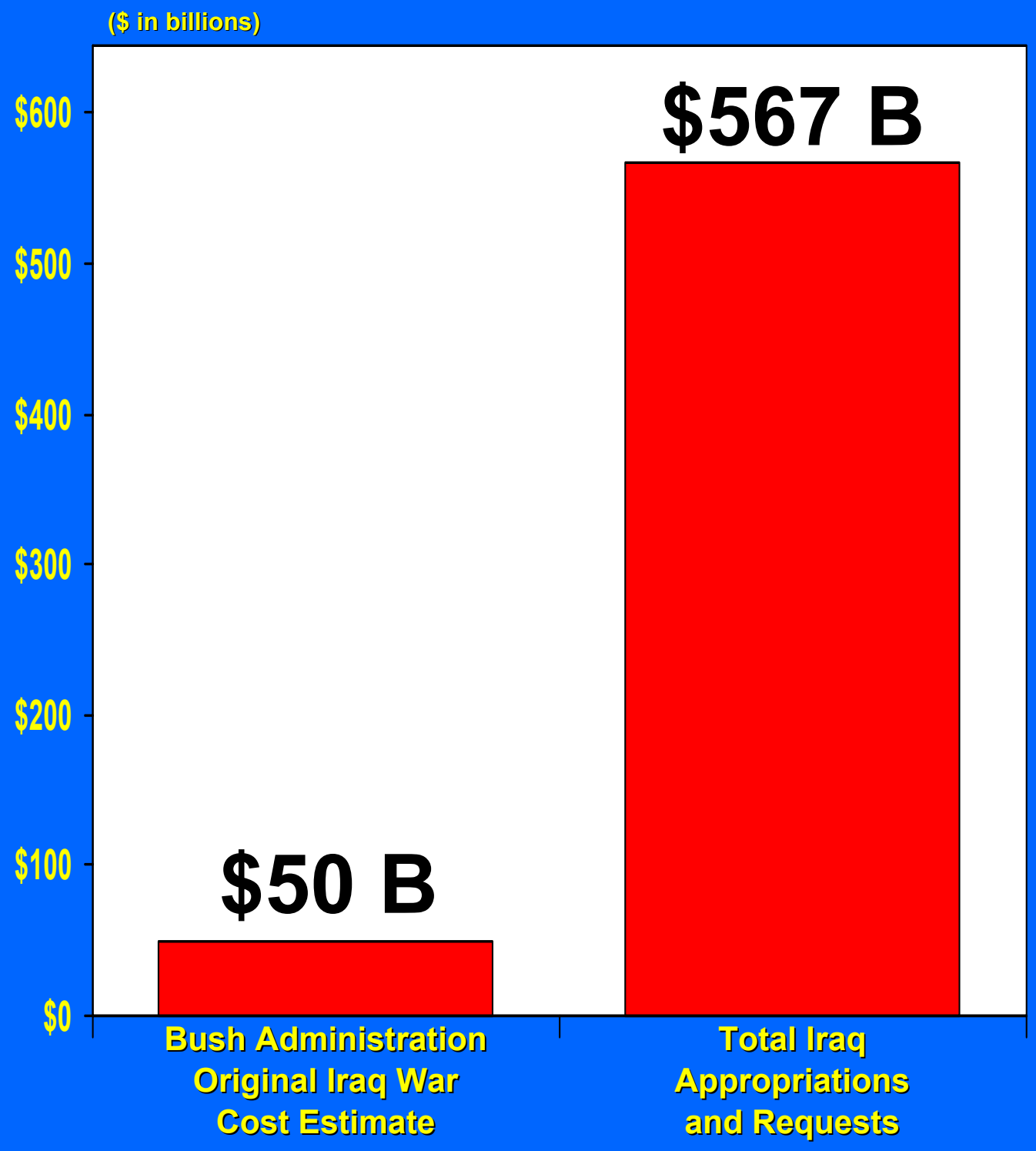
Source: OMB

Spending Increases Almost 50% Under Bush Administration



Source: CBO
Note: Spending totals are outlays.

Iraq War Costs Exceed Half a Trillion Dollars



Source: CRS

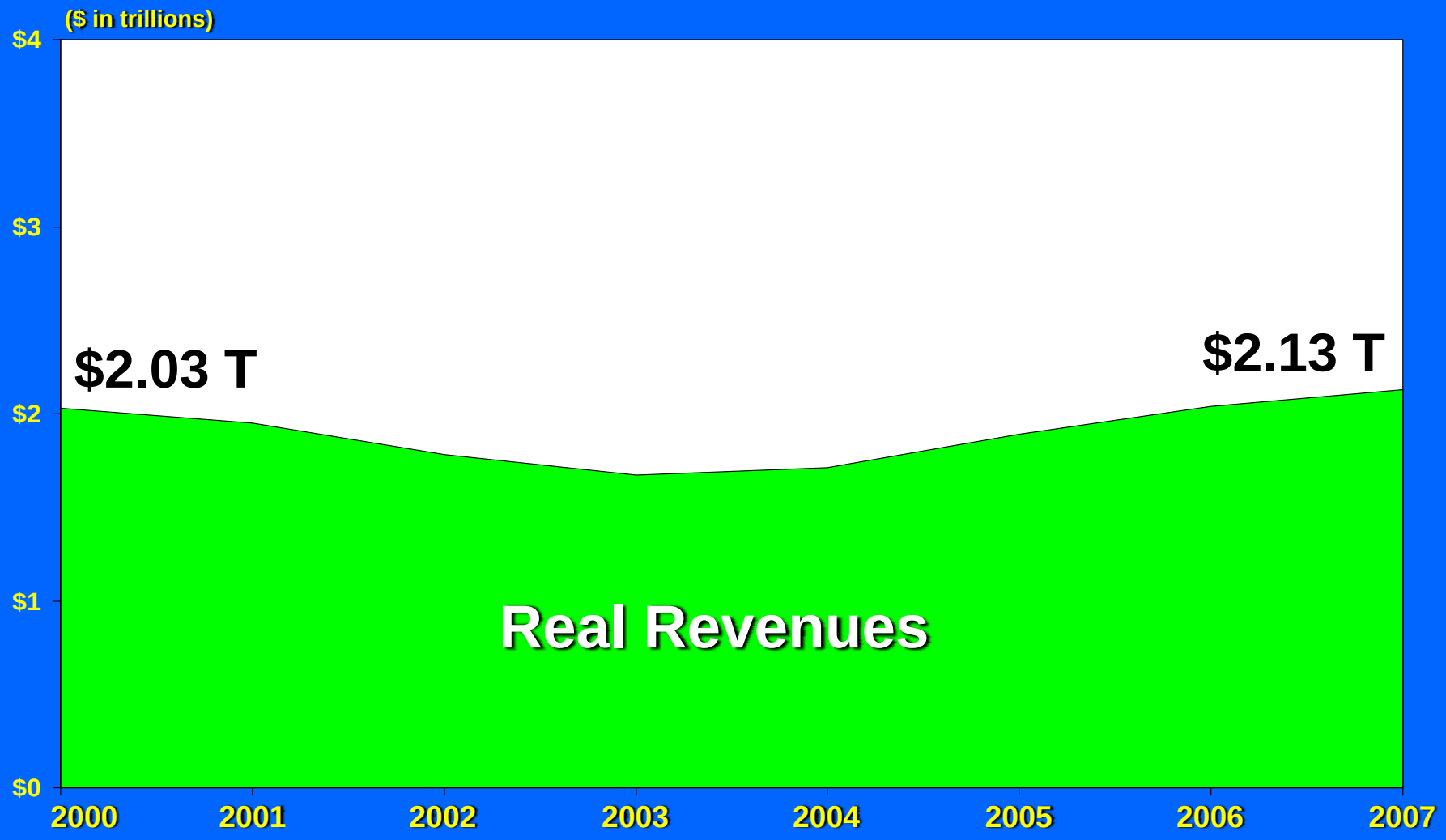
‘Korea-Like’ Presence in Iraq Will Cost Trillions

Costs So Far (2003 – 2008)	$567 B
Costs Projected for 2009 – 2017	$1 T
Costs Projected for 2018 – 2057 Assuming ‘Korea-Like’ Presence	$1 T
Total	$2.5 T

Source: CRS, CBO
NOTE: 2009-2017 costs include Afghanistan; 2018-2057 costs in constant FY’ 08 dollars

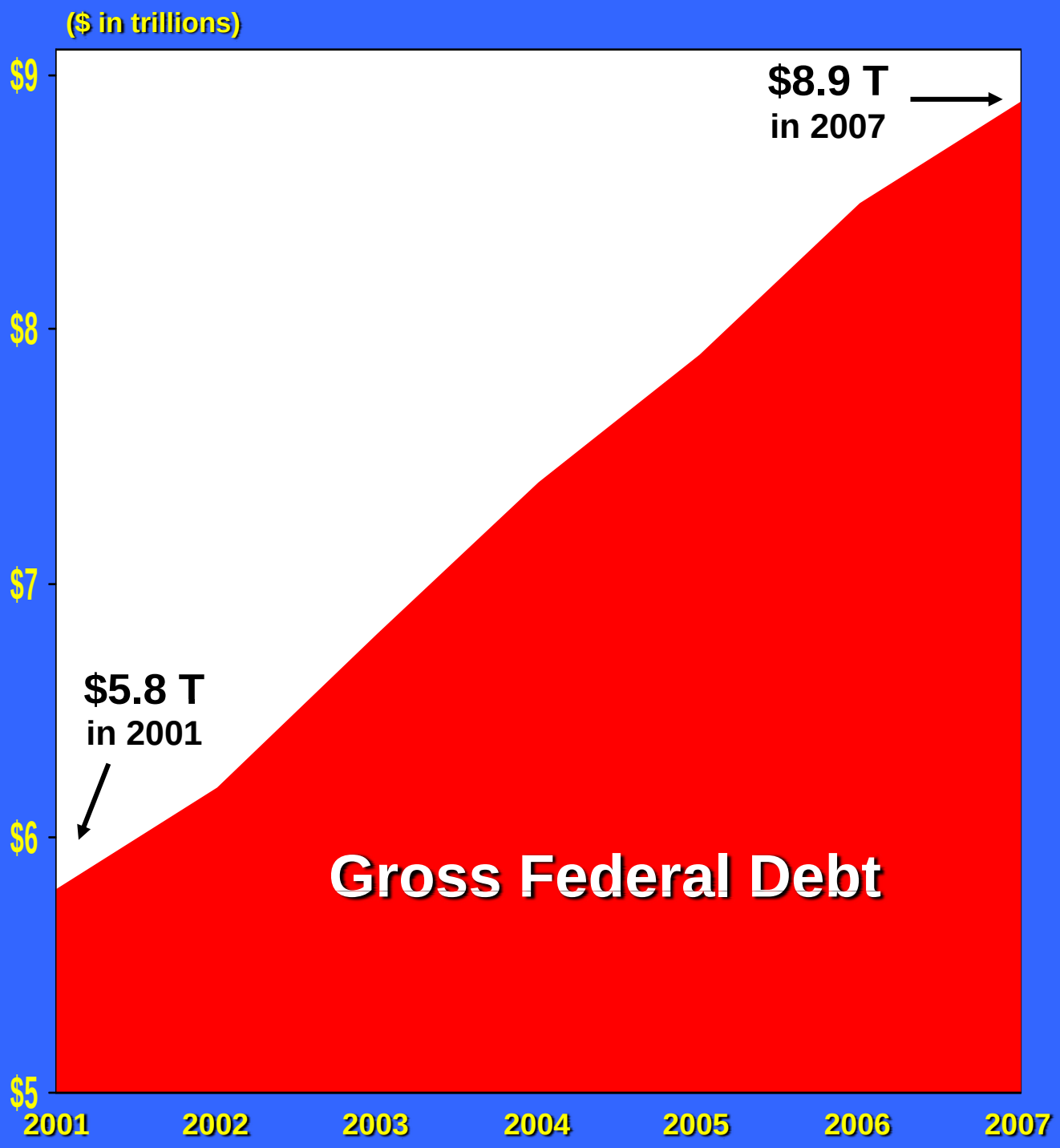
Real Revenues Have Been Flat

Only Recently Exceeding 2000 Level



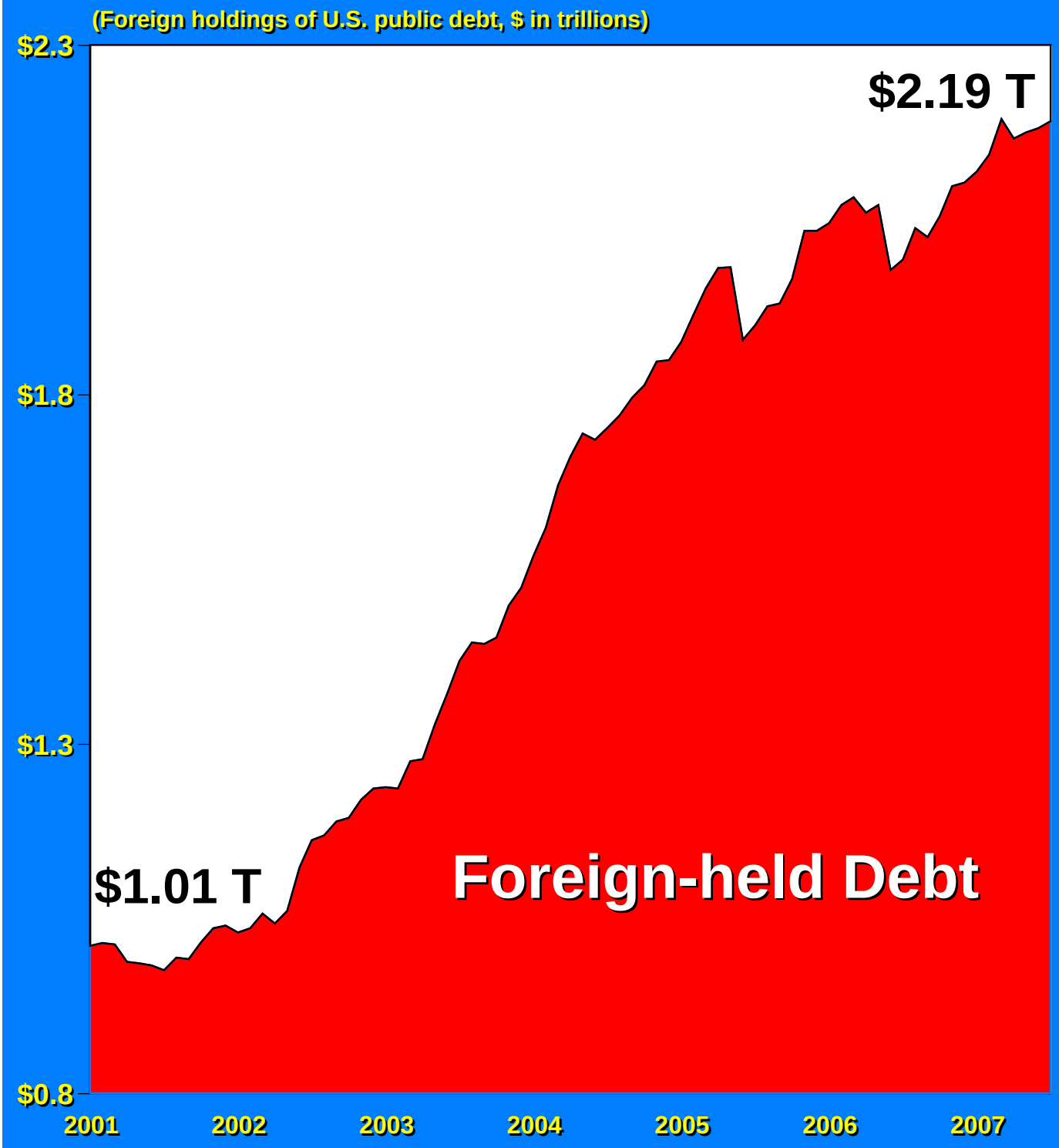
Source: OMB, CBO
Note: 2007 estimate in CBO August 2007 Budget Update.

Federal Debt Soars Under Bush Administration



Source: OMB, CBO

Debt Held by Foreigners Soars Under Bush Administration



Source: Treasury Department
Note: 2007 total as of July 2007

Top Ten Foreign Holders of Our National Debt

Japan	$611 B
China	$408 B
United Kingdom	$210 B
“Oil Exporters”	$124 B
Brazil	$105 B
Luxembourg	$64 B
Hong Kong	$59 B
Taiwan	$58 B
South Korea	$51 B
Germany	$44 B

Source: Department of Treasury
Note: As of July 2007

Federal Reserve Chairman Bernanke on Danger of Growing Debt

"Ultimately this expansion of debt would spark a fiscal crisis which could be addressed only by very sharp spending cuts or tax increases or both. ... [T]he effects on the U.S. economy would be severe. High rates of government borrowing would drain funds away from private capital formation, and thus slow the growth of real incomes and living standards over time."

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