

## **THE BUSH BUDGET:**

### ***More Debt, Deception and Unfairness for the Middle Class***

#### **More Debt**

*President Bush has the worst fiscal record in history, having turned record surpluses into record deficits. His new budget is more of the same, calling for a substantial increase in debt that would force taxpayers to spend billions more on interest to foreign creditors.*

- Federal debt will increase by \$3.2 trillion since 2001 (to \$9 trillion by end of FY07).
- Debt owed to foreigners has more than doubled, to over \$2 trillion.
- Over 5 years, the Bush budget, even using its own numbers, increases debt by \$2.5 trillion and forces taxpayers to pay \$1.4 trillion in interest, much to foreign creditors.
- Budget continues to reject strong pay-as-you-go rules that worked in the 1990's.

#### **More Deception**

*The President's budget, once again, is based on deception and phony numbers. It hides huge costs and uses gimmicks that assume large savings without explaining their impact.*

- Fails to account for full costs of Iraq war beyond 2008.
- Assumes deep future cuts in domestic priorities like education, without details.
- Ignores costs of fixing alternative minimum tax (AMT) beyond 2007.
- Hides long-term costs of proposals (e.g., delays Social Security privatization to 2012).

#### **More Unfairness for Middle Class**

*While the middle class struggles with stagnant wages and rising prices, the President's budget would only make matters worse...*

- Underfunds State Children's Health Insurance Program, jeopardizing existing health coverage and leaving millions of kids uninsured.
- Cuts about \$300 billion over 10 years from Medicare and Medicaid.
- Increases Medicare premiums for many seniors.
- Threatens existing private health coverage; fails to help uninsured; drives up premiums.
- Cuts education funding by \$2.3 billion in FY08 alone.
- Shortchanges veterans by cutting VA appropriations by \$3.5 billion over 5 years.
- Weakens security protections by cutting first responder grant programs.

*At the same time, the President insists on spending hundreds of billions for handouts to multi-millionaires and special interests like the oil and gas lobby...*

- Tax breaks for those with million-plus incomes: more than \$160,000 per year
  - Cost over ten years: \$739 billion
- Continues wasteful tax breaks for oil and gas industry and royalties for oil industry.
- Continues Medicare overpayments to HMO's and other managed care plans.
- Grants drilling rights in Alaska wilderness (ANWR) to energy industry.
- Continues tax breaks for multinational corporations that outsource jobs overseas.
- Privatizes Social Security, requiring deep benefit cuts and massive debt.

### **Democrats Will Reverse Course**

*Democrats will seek to work with their Republican colleagues to produce a bipartisan budget that is fiscally responsible and that puts the middle class first.*

- Return to the tough pay-as-you-go budget discipline of the 1990's.
- Balance the budget with real numbers.
- Put interests of the middle class over those of lobbyists for powerful special interests.
- Invest in high priorities like health care, education, and terrorism prevention.
- Work with members of both parties in a genuine effort to craft a bipartisan approach.