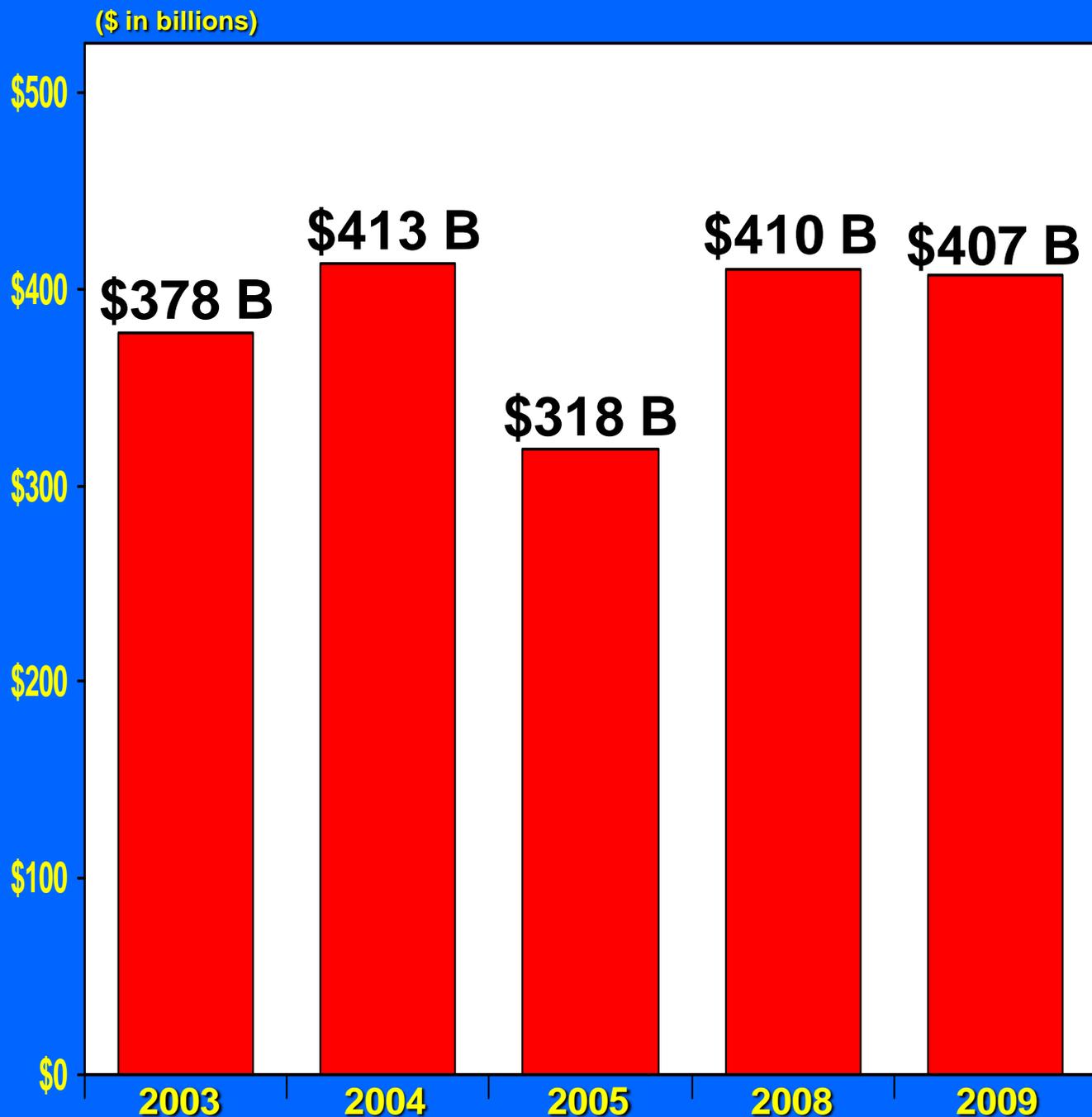


Five Highest Deficits in U.S. History

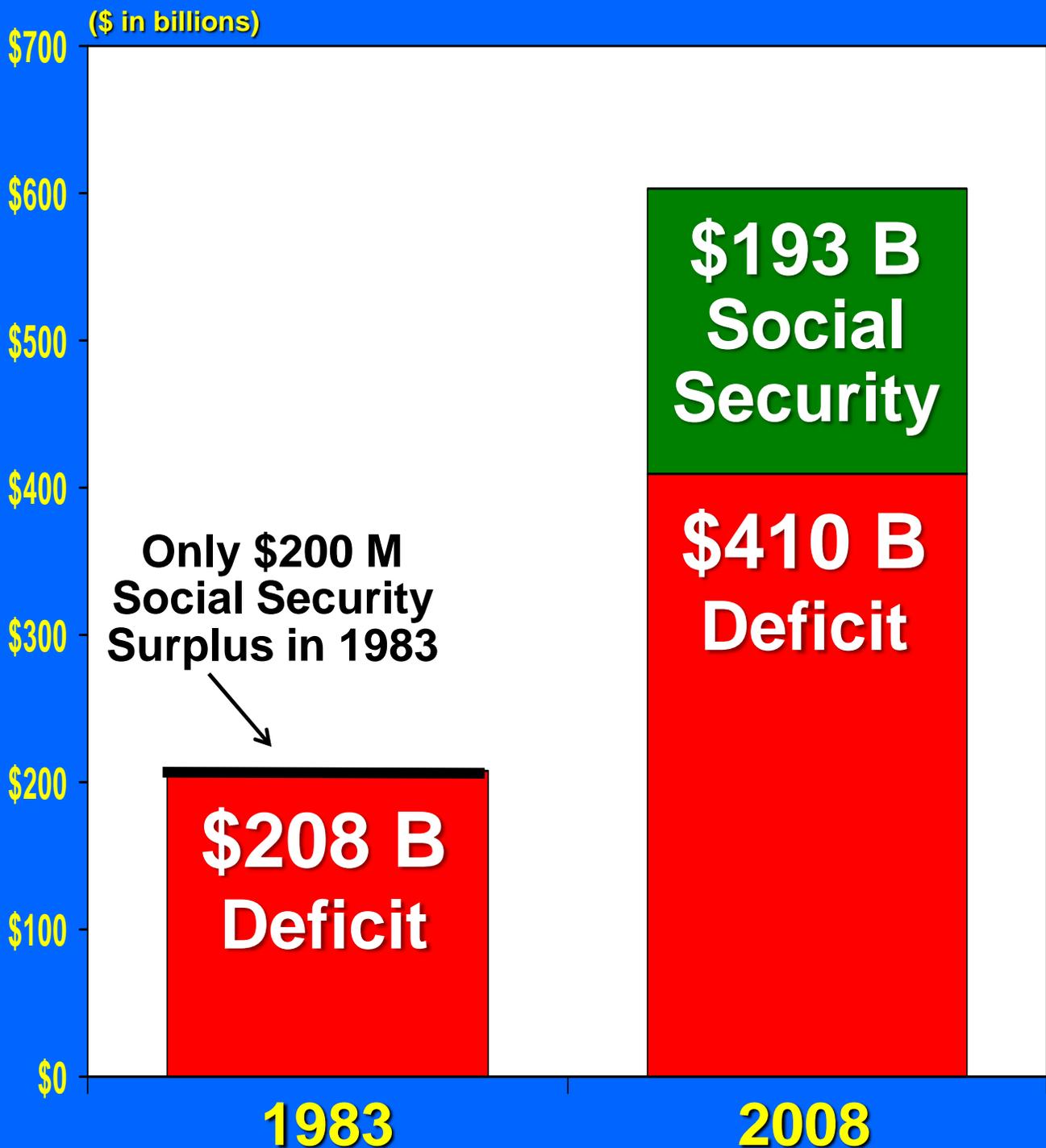
All Under President Bush



Source: OMB

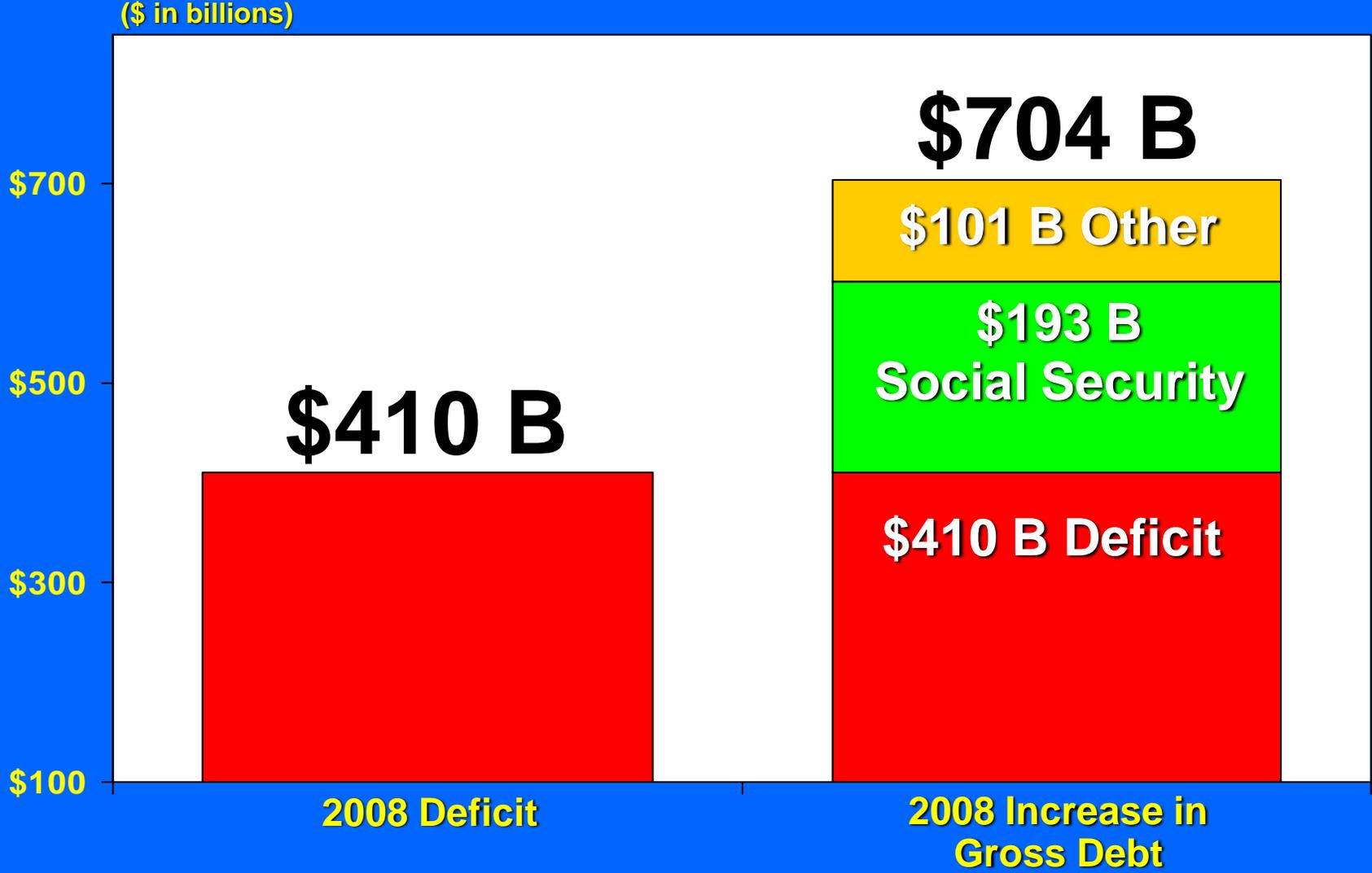
Note: 2008 and 2009 deficits projected in Bush FY 2009 Budget.

Unlike 1983, Social Security Now Masks Real Operating Deficit



Source: OMB

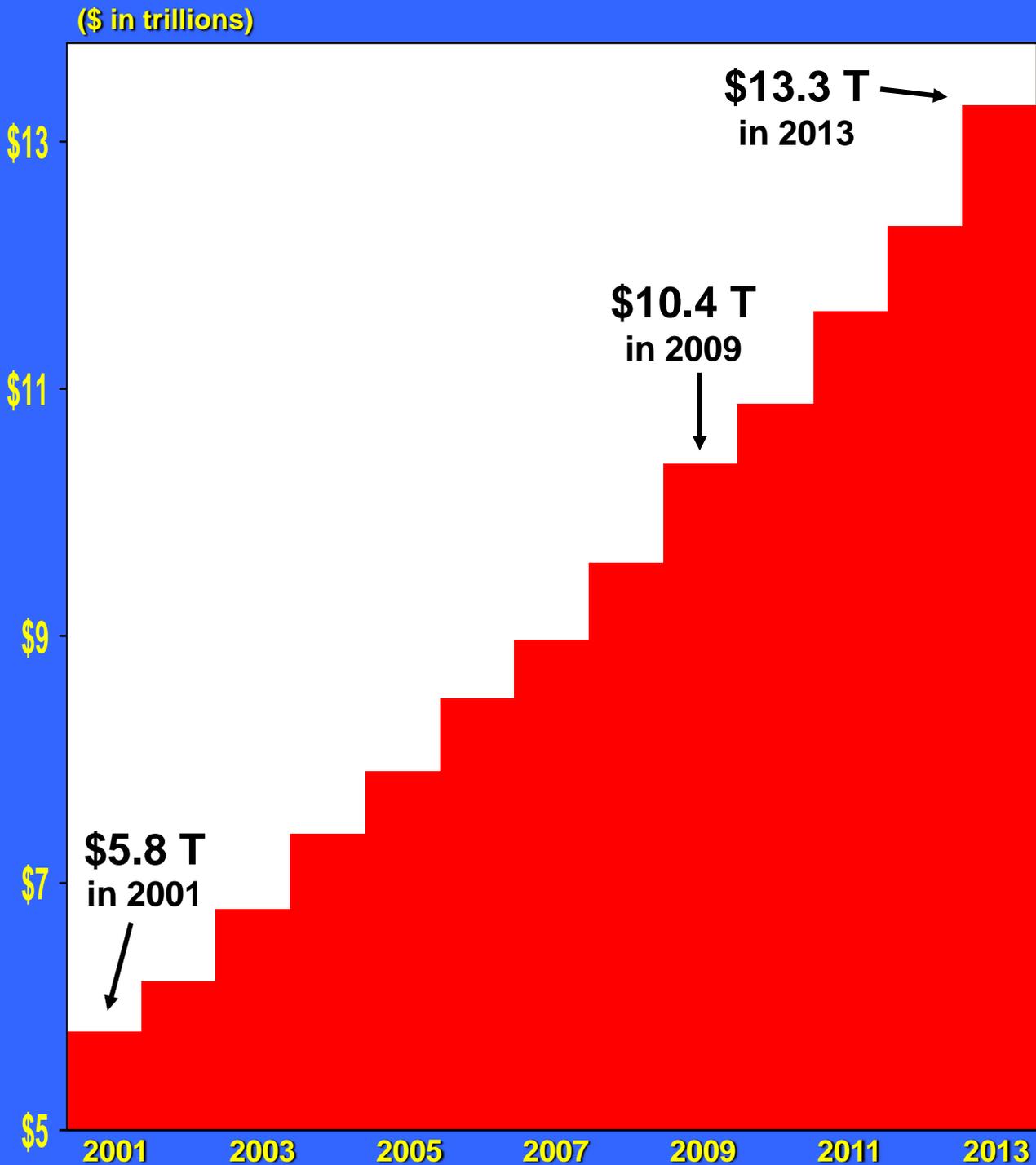
Increase in Debt in 2008 is Far Greater Than the \$410 Billion Deficit



Source: OMB, SBC

Building a Wall of Debt

Gross Federal Debt Soars



Source: OMB, CBO and SBC

Note: Bush FY 2009 Budget with AMT reform, ongoing war costs, stimulus package, and without extension of 2008 emergencies.

Top Ten Foreign Holders of Our National Debt

Japan	\$581 B
China	\$387 B
United Kingdom	\$316 B
“Oil Exporters”	\$128 B
Brazil	\$121 B
Luxembourg	\$75 B
Caribbean Banking Centers	\$72 B
Hong Kong	\$55 B
Taiwan	\$50 B
Korea	\$44 B

Source: Department of Treasury

Note: As of November 2007

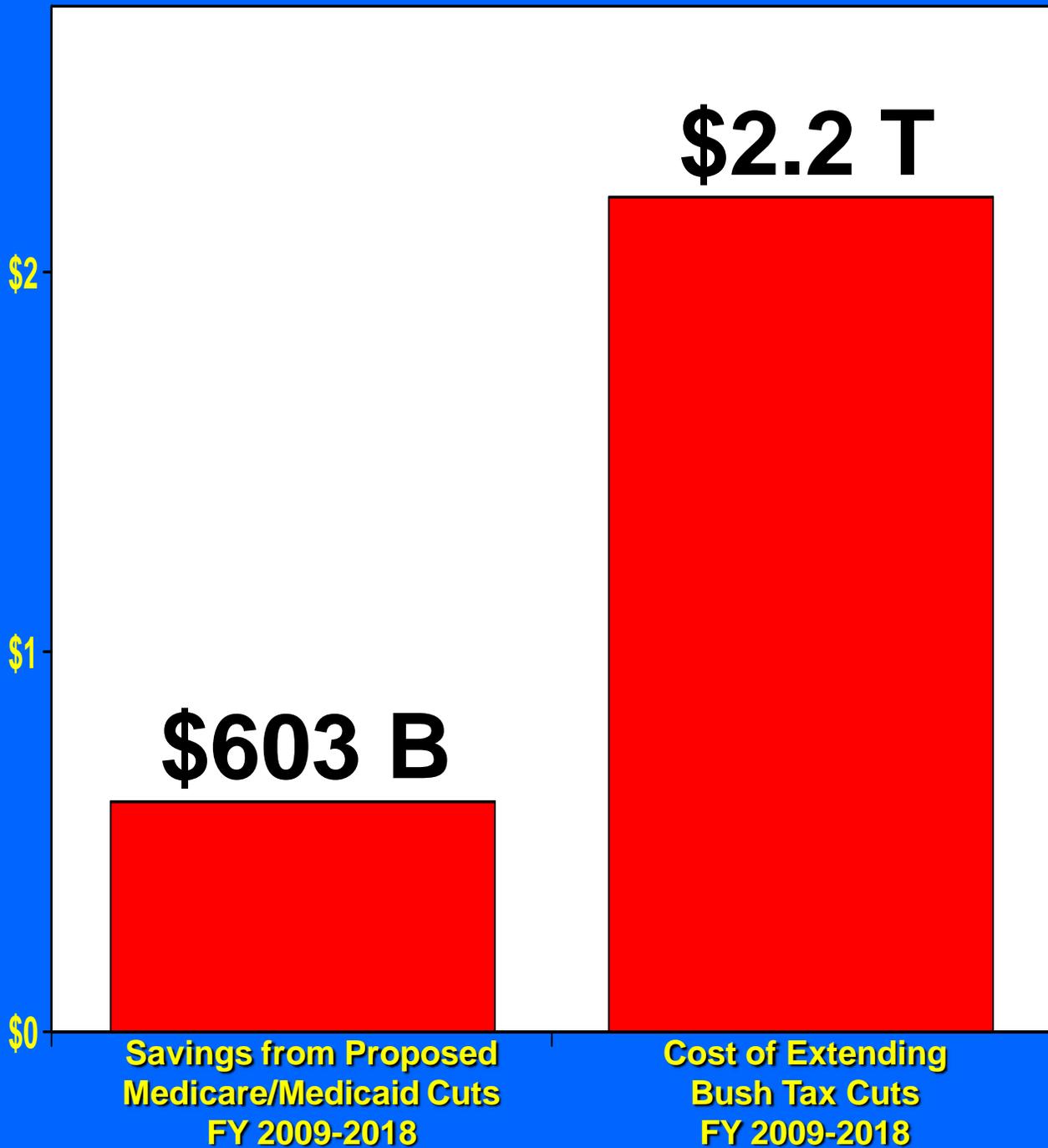
GAO Comptroller General Walker on Urgency of Addressing Long-Term Fiscal Imbalance

“... I believe we have a five- to 10-year window of opportunity to demonstrate to our foreign lenders that we’re going to get serious about this. Five to 10 years, and it’s closing. And I think it’s closer to five than to 10.... Keep in mind, we’re the largest debtor nation in the history of mankind, and it’s getting worse, not better.”

**– Government Accountability Office
Comptroller General David M. Walker
Testimony before Senate Budget Committee
January 29, 2008**

Savings from Medicare/Medicaid Cuts More than Wiped Out by Cost of Extending Bush Tax Cuts

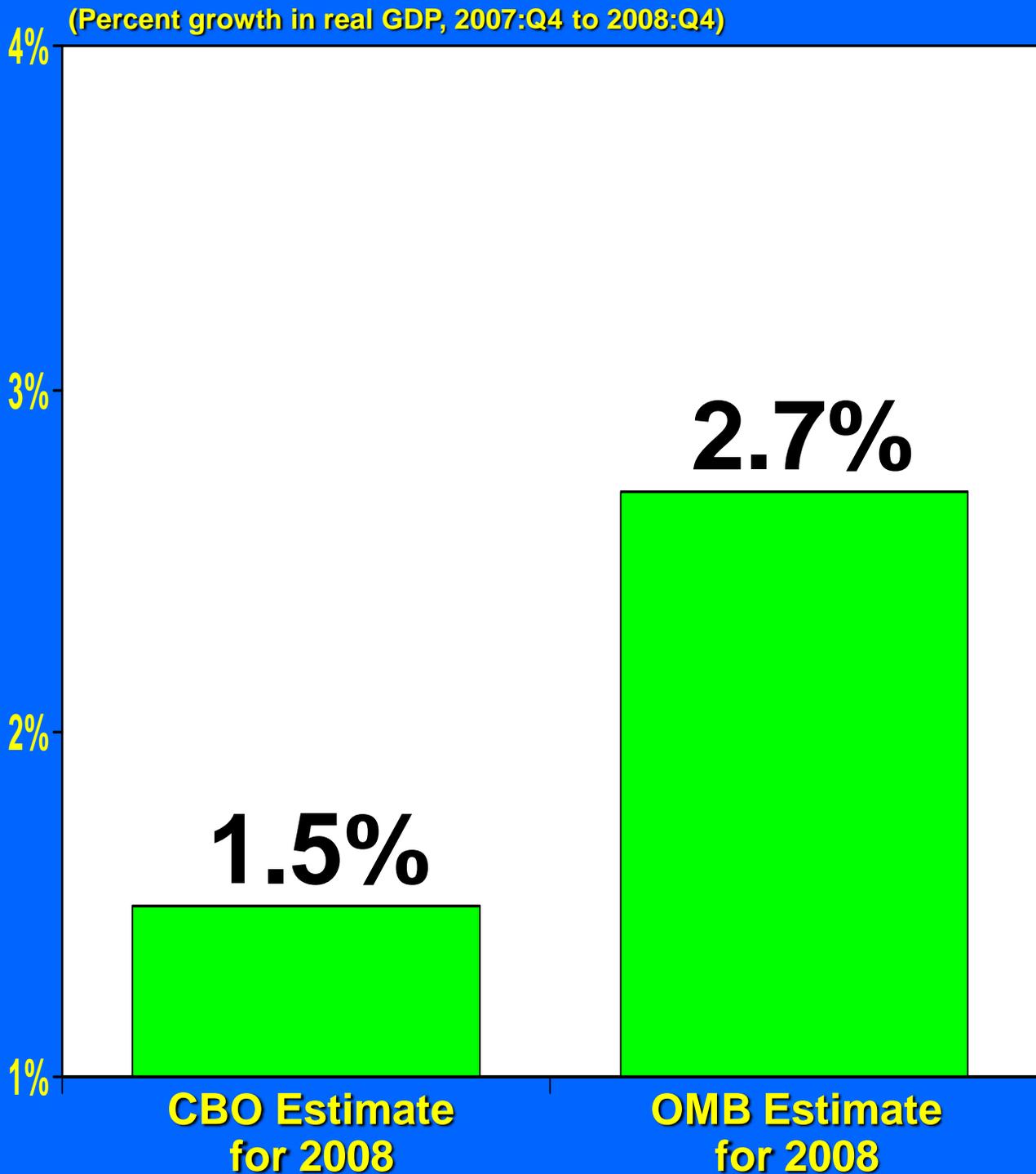
(\$ in trillions)



Source: OMB

Note: OMB estimate of savings from new legislative proposals and of extending 2001 and 2003 tax cuts.

Bush Budget Based on More Optimistic Assumptions for Economic Growth



Source: CBO, OMB

Conrad-Gregg Bipartisan Fiscal Task Force

- To address long-term fiscal imbalance
- Panel of lawmakers and Administration officials
- Everything on table
- Fast-track consideration; Congress must vote
- Bipartisan outcome