

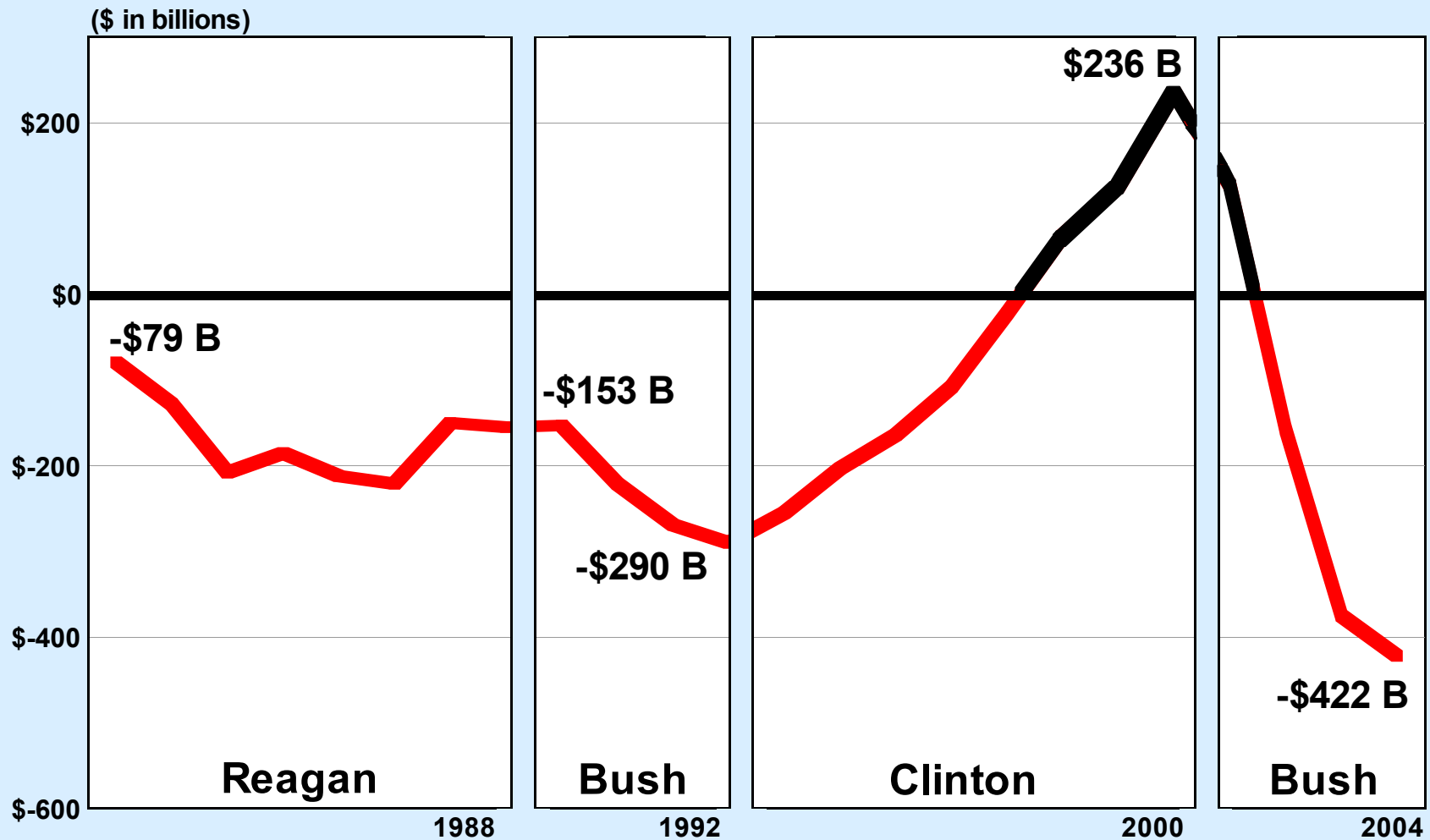
# According to President Bush, This Year's Record Deficit 'Pretty Good'

**Matt Lauer:** Let me ask you about deficits. This year, \$445 billion. Ballpark, do you think that's pretty good?

**President Bush:** Yes, I do. I do.

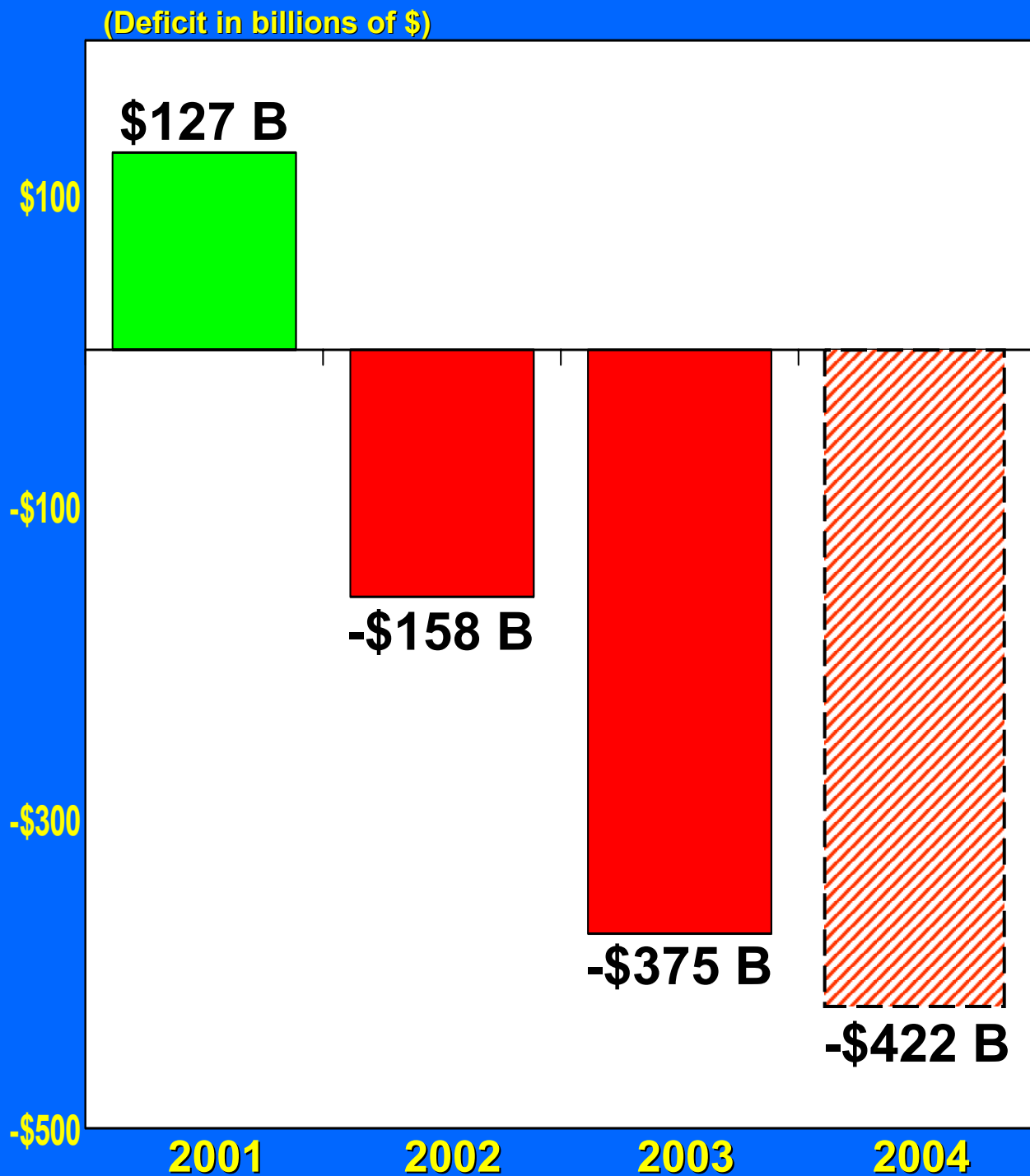
**–NBC-TV *Today Show*  
August 30, 2004**

# Reagan vs. Bush vs. Clinton vs. Bush Fiscal Accomplishments



Source: OMB, CBO

# Deficits Have Worsened Every Year Since President Bush Took Office



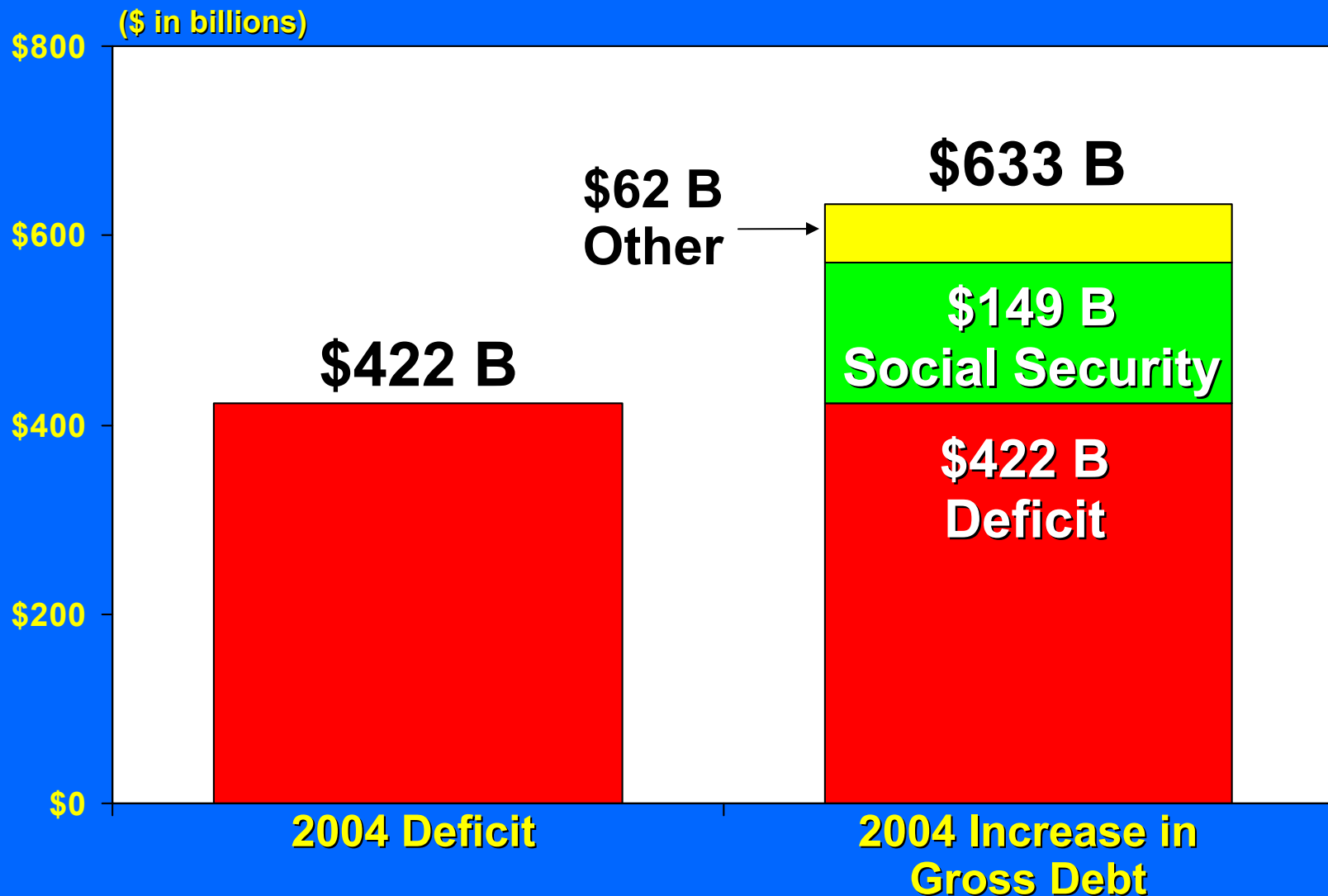
Source: OMB, CBO

# Goldman-Sachs on OMB's Deficit Estimates

“The Office of Management and Budget has perfected the art of underpromising and outperforming in terms of its near-term budget deficit forecasts. For example, in its semiannual review, the OMB lowered its deficit forecast for fiscal 2004 to \$445 billion from \$521 billion. This creates the impression that the deficit is narrowing when, in fact, it will be up sharply from the \$375-billion imbalance of a year earlier. This process is likely to continue in October, when the fiscal 2004 deficit turns out to be lower than the current OMB forecast.”

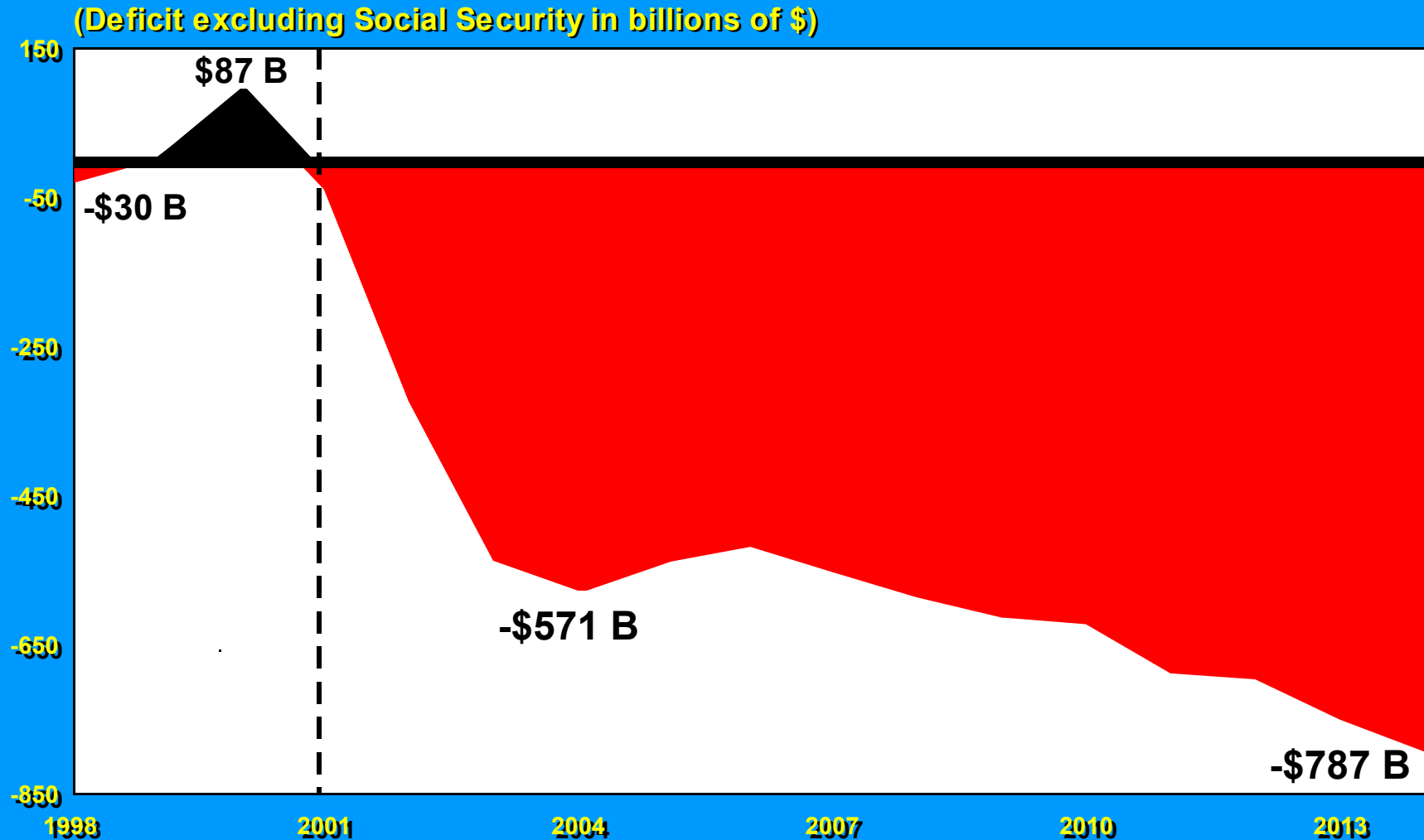
– **Goldman Sachs**  
“US Economic Analyst”  
August 6, 2004

# Increase in Debt in 2004 is Far Greater Than the \$422 Billion Deficit



Source: CBO

# Deficits with Bush Tax Cuts Made Permanent, Bush Defense Buildup, AMT Reform, and Ongoing War Costs



Source: CBO, SBC

Note: CBO September 2004 estimate with Bush tax cuts made permanent, Bush defense buildup, AMT reform, and ongoing war costs.

# The Washington Post

TUESDAY, SEPTEMBER 7, 2004

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## Navy Plans to Buy Fewer Ships

By RENAE MERLE  
*Washington Post Staff Writer*

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Squeezed by budget constraints, the Navy is proposing significant cuts in its shipbuilding program that could batter the already struggling industry.

The proposal comes as top Pentagon officials consider shifting the military's focus from preparing for large-scale warfare to training more specialized forces for guerrilla warfare, long-term peacekeeping and counter-terrorism efforts. The changes could eventually mean a re-

allocation of resources from traditional weapons such as ships, tanks and planes in favor of more troops, elite Special Operations forces and intelligence gathering.

The Navy's proposal would provide funds to build only four ships in 2006, compared with nine planned for 2005, according to a Defense official who spoke only on condition of anonymity because the budget proposal hasn't been made public. The plan would also delay production of a new generation of destroy-

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See SHIPS, E5, Col. 3