

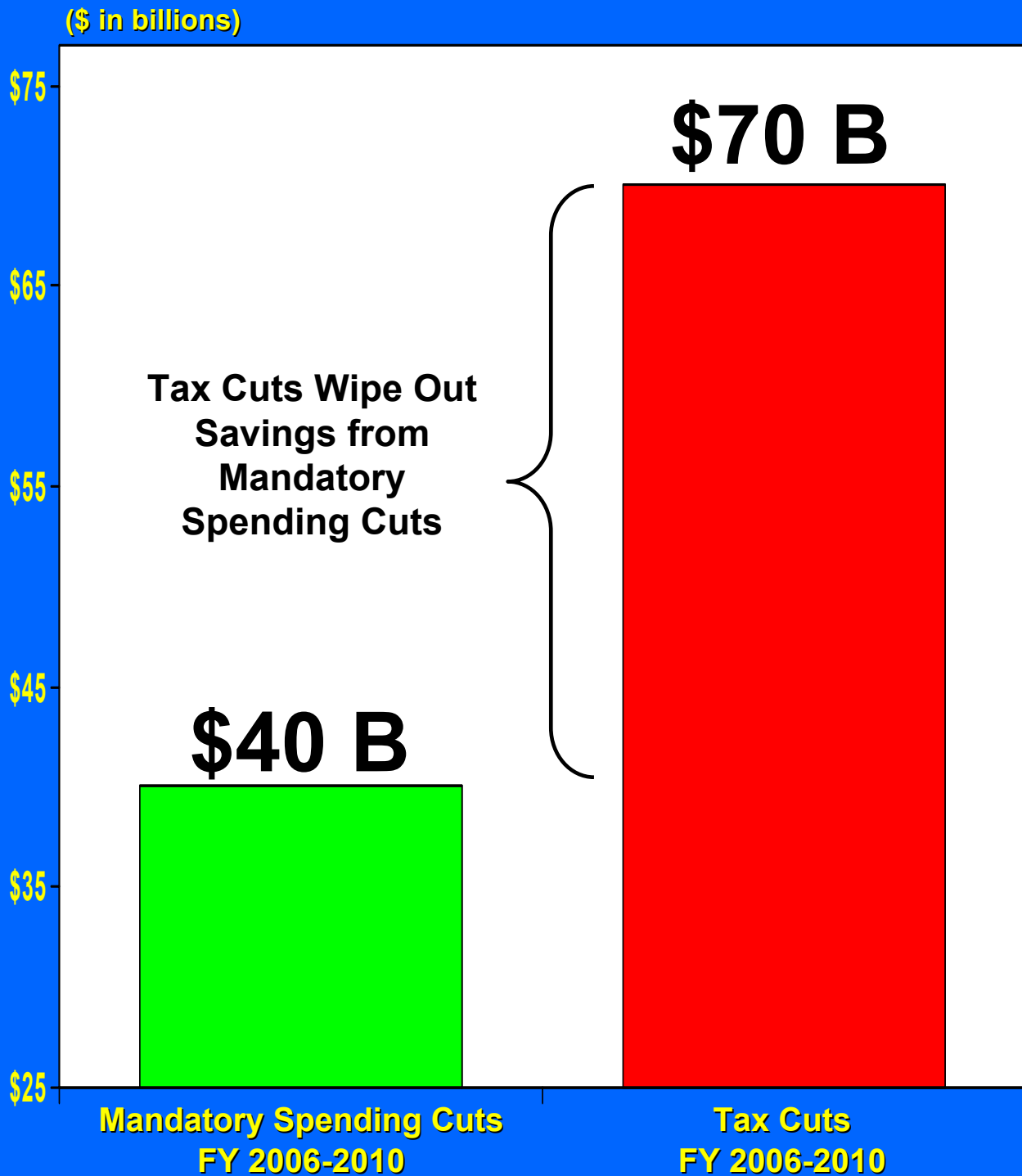
Three Chapters of Reconciliation

Chapter 1 **Mandatory Spending Cuts - \$40 B**

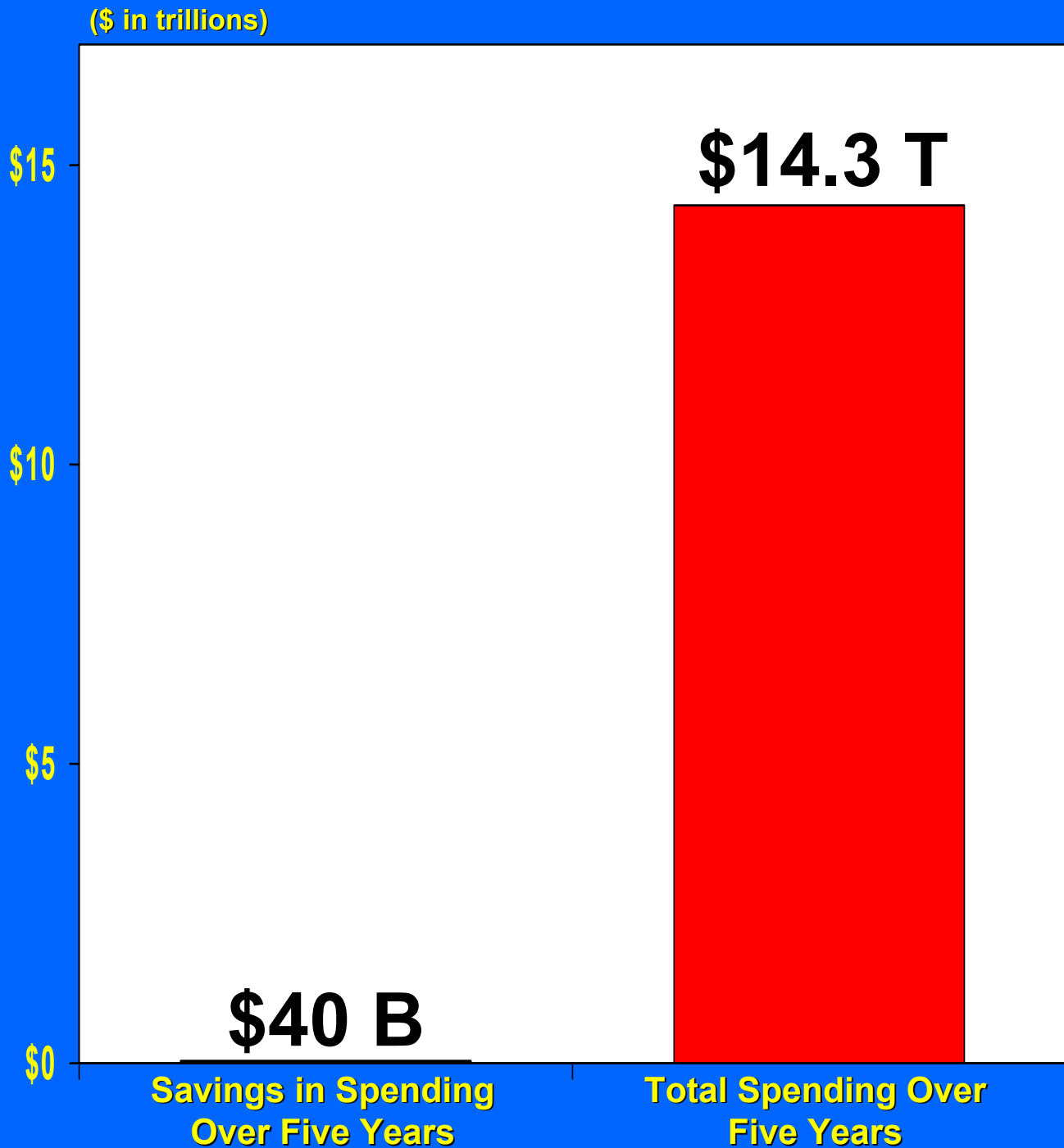
Chapter 2 **Tax Cuts - \$70 B**

Chapter 3 **Debt Limit Increase - \$781 B**

Budget Reconciliation Increases Deficit by \$30 Billion



Reconciliation Savings Total Less Than Three One-Hundredths of a Percentage Point of Spending Over Next Five Years



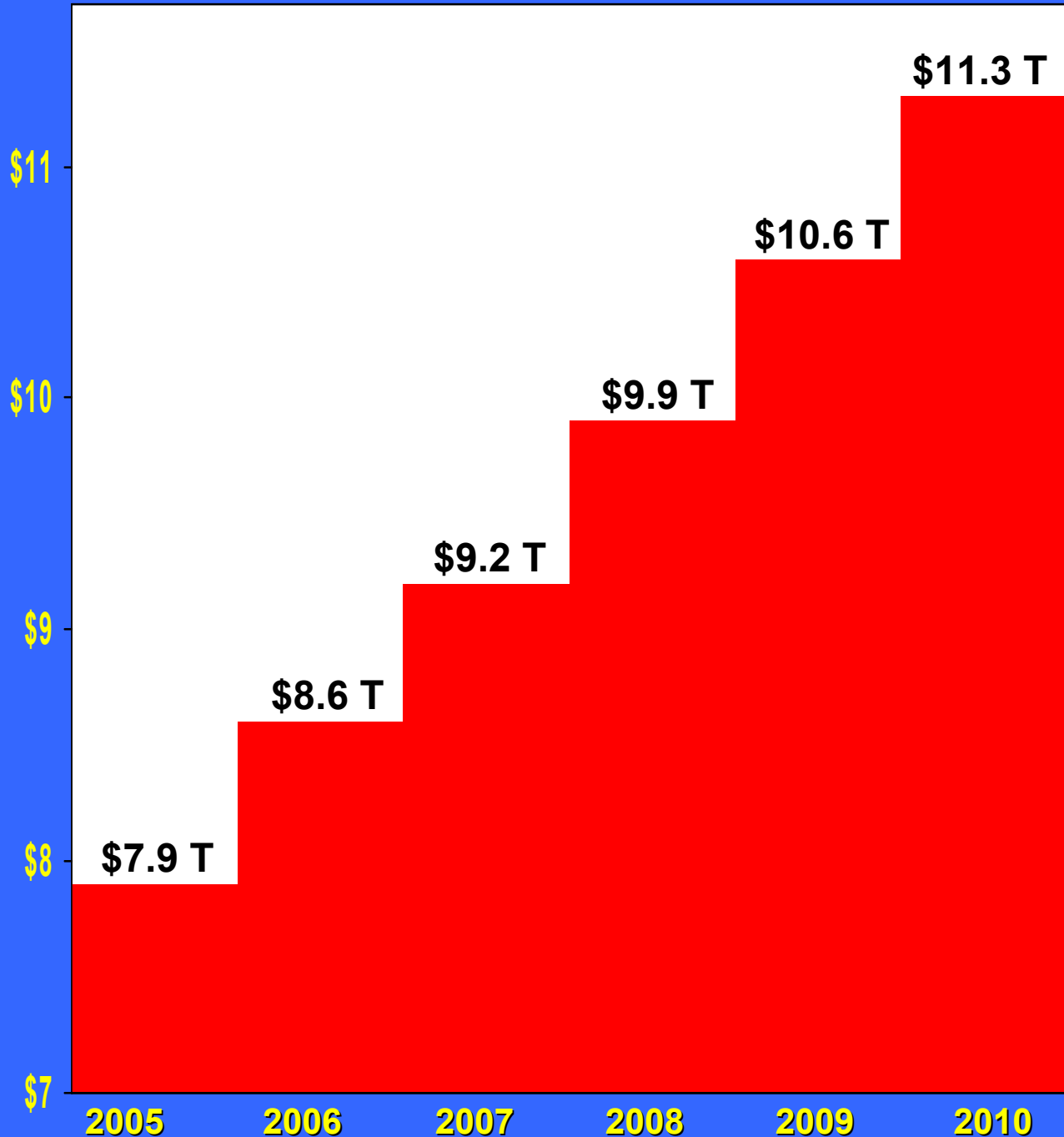
Source: CBO, SBC Democratic staff

Note: Compares five-year savings with total federal spending over five years under CBO August 2005 Budget and Economic Outlook, with President's policies as re-estimated by CBO in March and CBO's estimate of ongoing war costs and AMT reform.

Building a Wall of Debt

Gross Federal Debt Soars

(\$ in trillions)



Note: Gross debt, adjusted to include administration's policies and omitted costs for AMT reform and ongoing war costs.
Source: CBO, OMB, and SBC Democratic staff

GOP Budget Conference Report Increases Debt Every Year Over Five-Year Period

**FISCAL YEAR 2006 BUDGET RESOLUTION
GOP BUDGET CONFERENCE REPORT
(In billions of dollars)**

Fiscal year	2005	2006	2007	2008	2009	2010
Summary						
Debt Held by the Public (end of year)	4,689	5,082	5,409	5,677	5,927	6,150
Debt Subject to Limit (end of year)	7,962	8,645	9,284	9,890	10,500	11,105
	683	639	606	610	605	

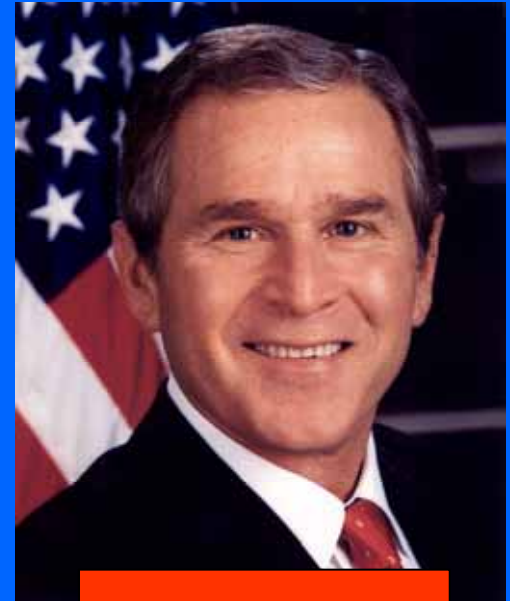
Source: FY 2006 GOP Budget Conference Report

President Bush Doubles Foreign-Held Debt in 5 Years

It Took 42 Presidents 224 Years to Build Up Same Level of Foreign-Held Debt



224 Years
(1776-2000)



\$1.09 T

5 Years
(2001-2005)

Top Ten Countries Holding Our National Debt

Japan	\$682 B
China	\$248 B
United Kingdom	\$187 B
“Caribbean Banking Centers”	\$114 B
Taiwan	\$72 B
Germany	\$64 B
OPEC	\$64 B
South Korea	\$61 B
Canada	\$52 B
Hong Kong	\$48 B

Source: Department of Treasury
Note: As of October 2005

Many Reconciliation Provisions Similar to House Version

Includes:

- **Most of House Medicaid cuts targeting low-income beneficiaries**
- **Some of child support enforcement cuts**
- **Many of House foster care cuts**
- **Delayed SSI benefit payments for poor disabled individuals as proposed by House**
- **New TANF work requirements imposing unfunded mandate on states**

Spending Cuts Being Done to Make Room for More Tax Cuts

“...House Ways and Means Committee Chairman Bill Thomas told a group of GOP lobbyists that the spending cuts are necessary to make room for tax cutting legislation.”

**–White House Bulletin
November 14, 2005**

Points of Order Against Reconciliation Bill

- **Strike Medicaid medical liability provision, which would protect hospitals who deny treatment to low-income individuals unable to pay higher co-payments**
- **Strike foster care provision that would prohibit grandparents and other relatives from receiving foster care payments**
- **Strike reports focusing on policy matters that do not belong in a reconciliation bill**