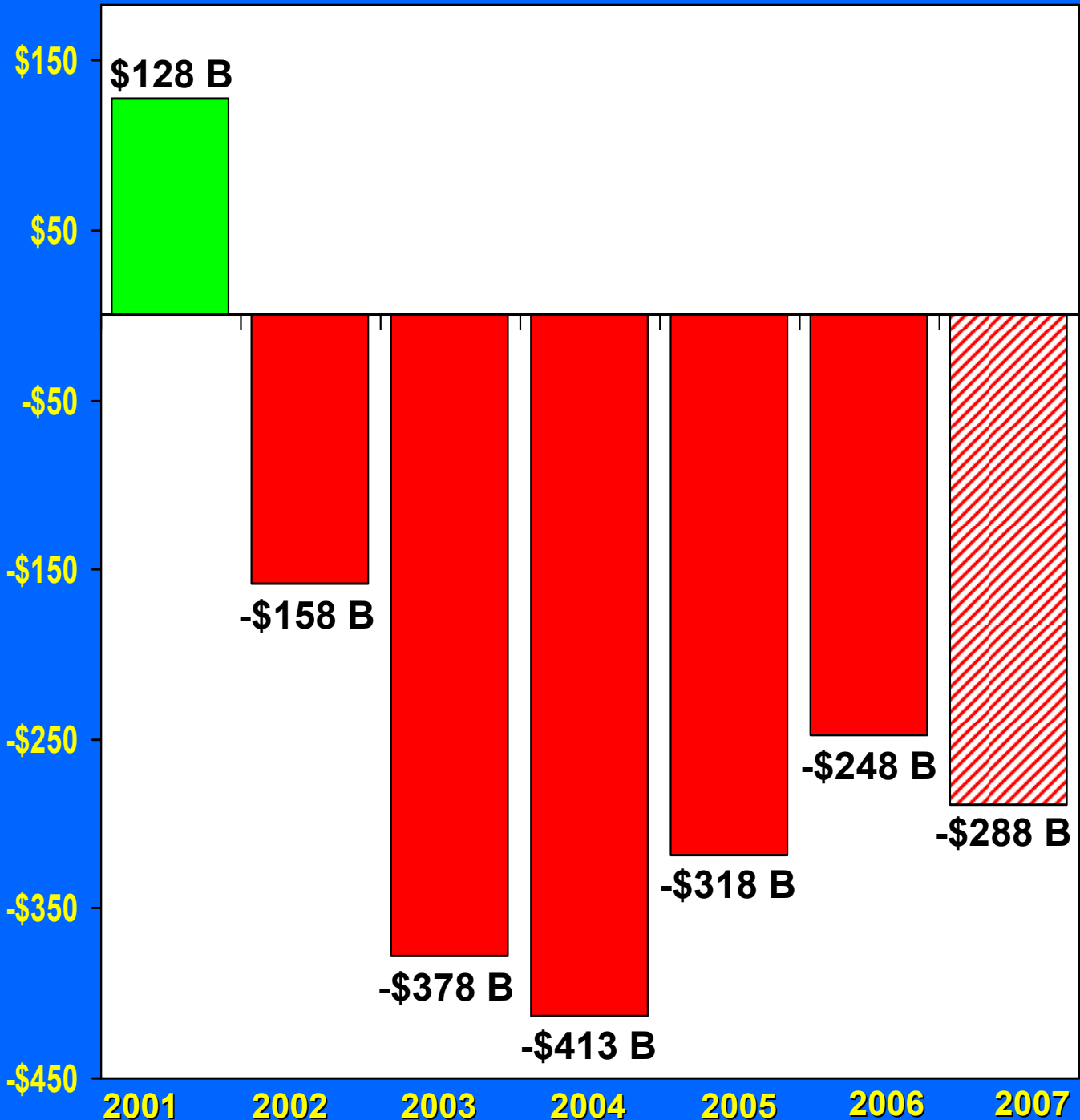


Dramatic Deterioration in Budget Picture

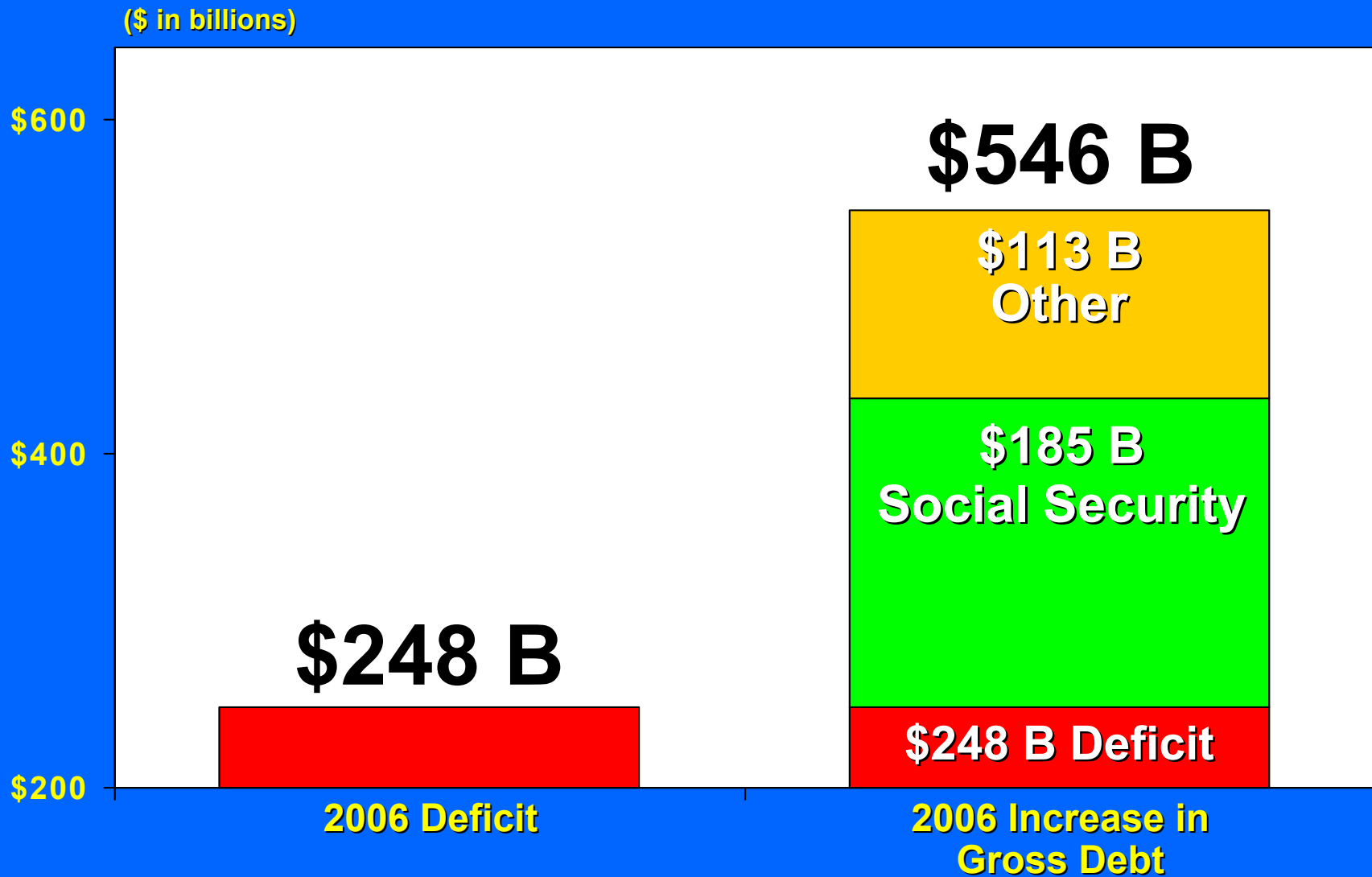
(Deficit in billions of \$)



Source: CBO, OMB/Treasury, and SBC Democratic staff

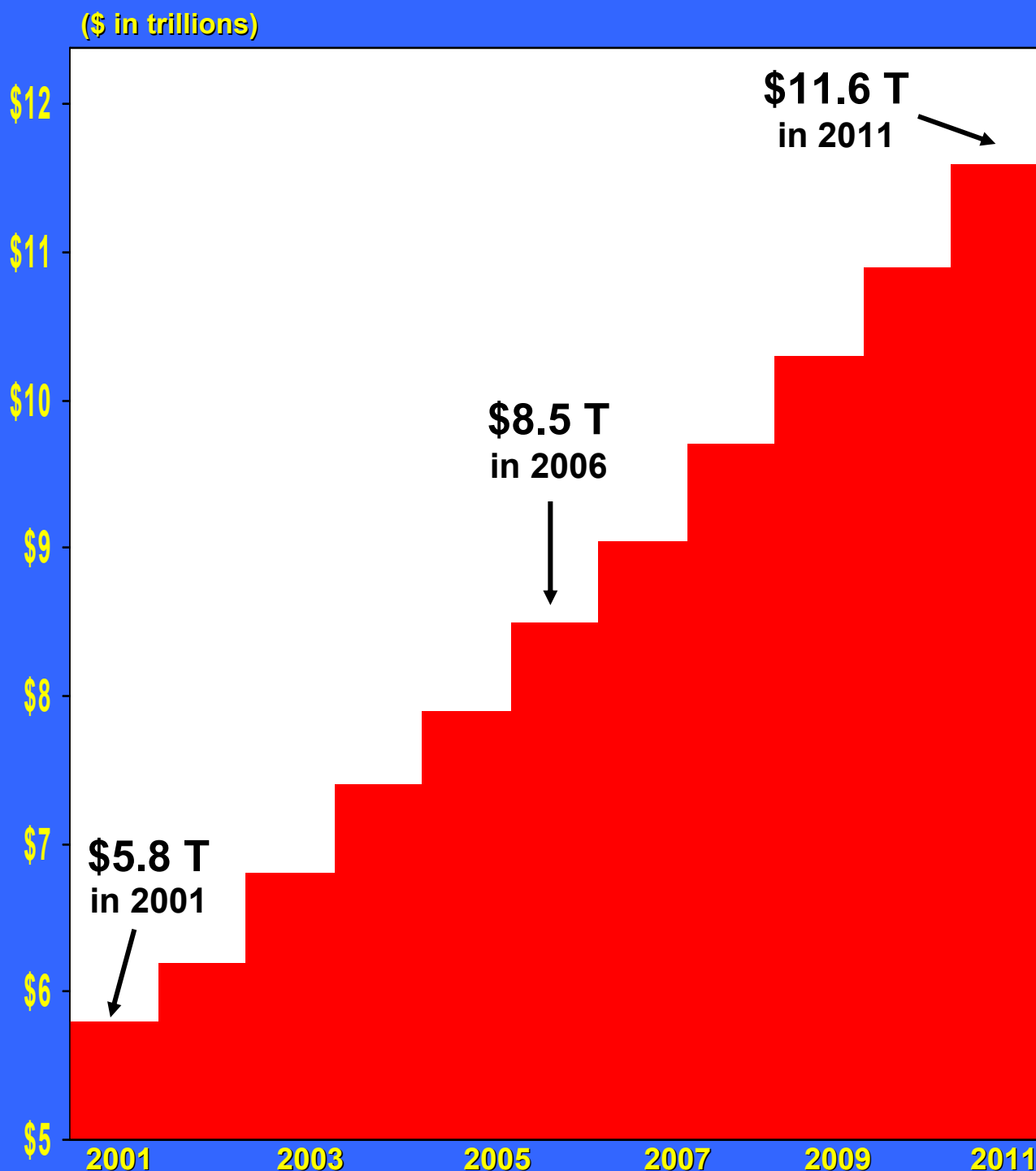
Note: For 2007, reflects CBO August 2006 Budget and Economic Outlook, with President's policies as reestimated by CBO in March and CBO's estimate of ongoing war costs and AMT reform.

Increase in Debt in 2006 is Far Greater Than the \$248 Billion Deficit



Building a Wall of Debt

Gross Federal Debt Soars



Source: OMB, CBO and SBC Democratic staff

Note: CBO August 2006 Budget and Economic Outlook, with President's policies as reestimated by CBO in March and CBO's estimate of ongoing war costs and AMT reform.

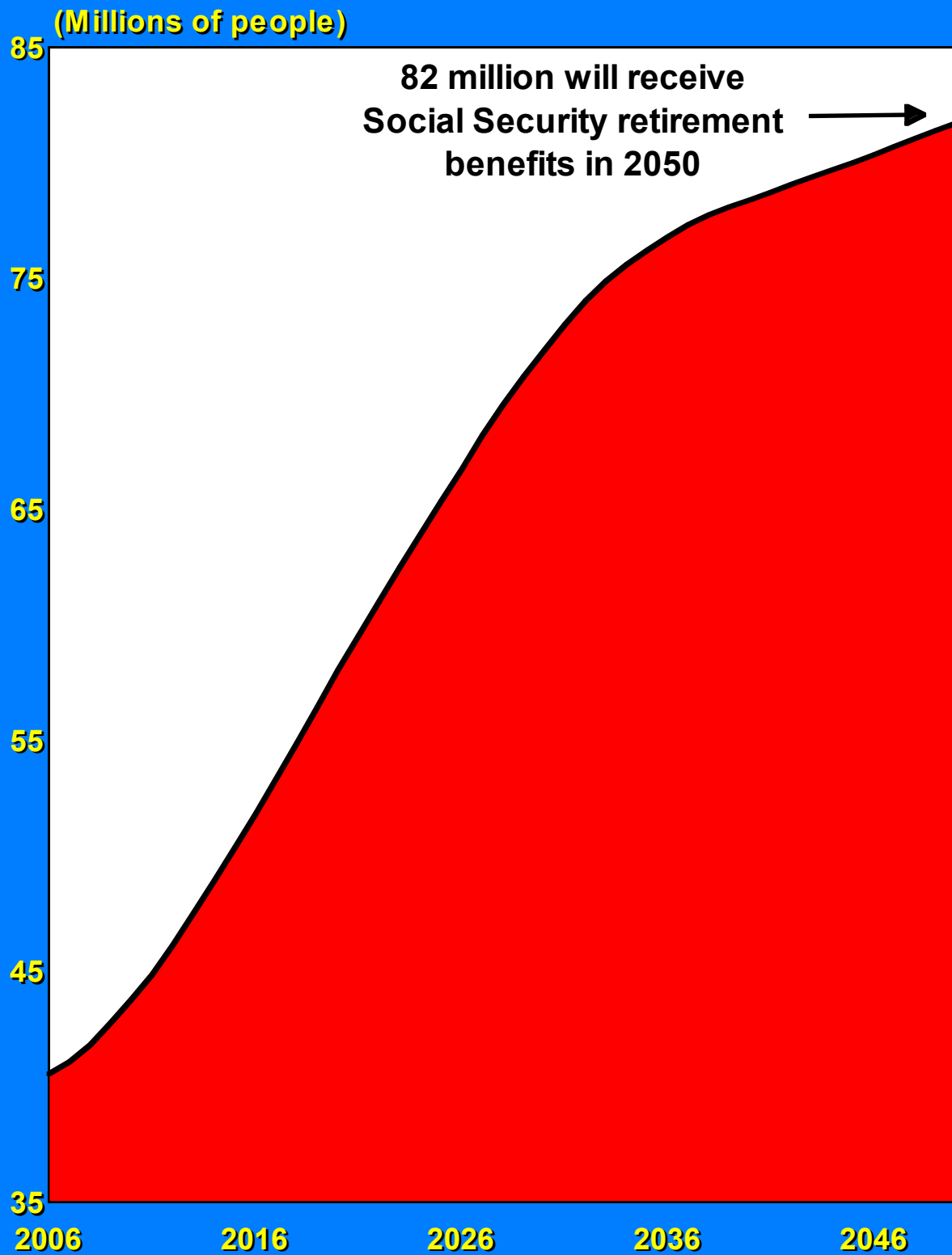
Top Ten Foreign Holders of Our National Debt

Japan	\$641 B
China	\$345 B
United Kingdom	\$208 B
“Oil Exporters”	\$98 B
South Korea	\$69 B
Taiwan	\$64 B
“Caribbean Banking Centers”	\$56 B
Germany	\$53 B
Hong Kong	\$51 B
Canada	\$50 B

Source: Department of Treasury

Note: As of October 2006

Number of Social Security Beneficiaries Explodes with Retirement of Baby Boom Generation

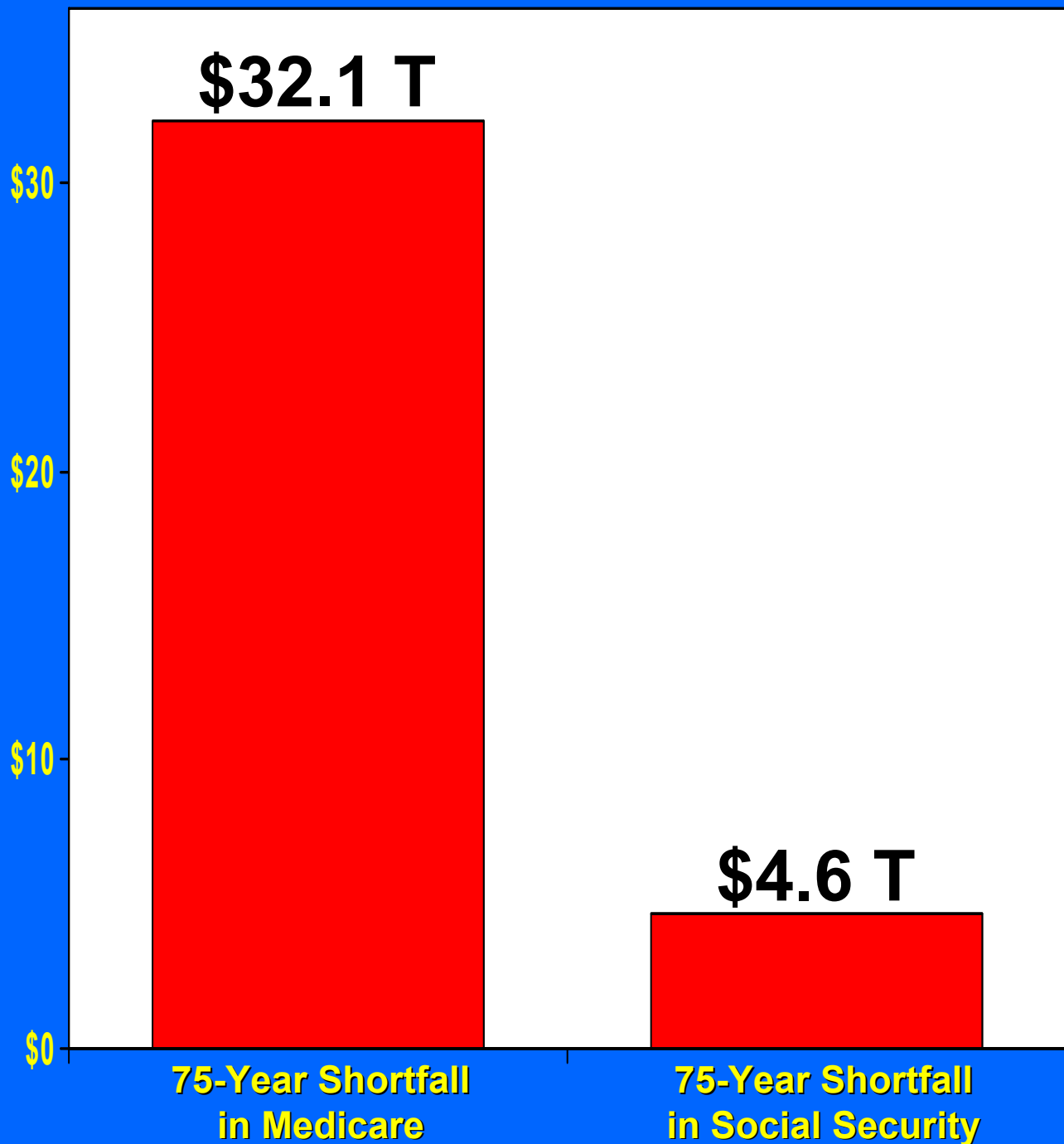


Source: 2006 Social Security Trustees Report
Note: OASI beneficiaries

Comparing Long-Term Costs of Medicare and Social Security

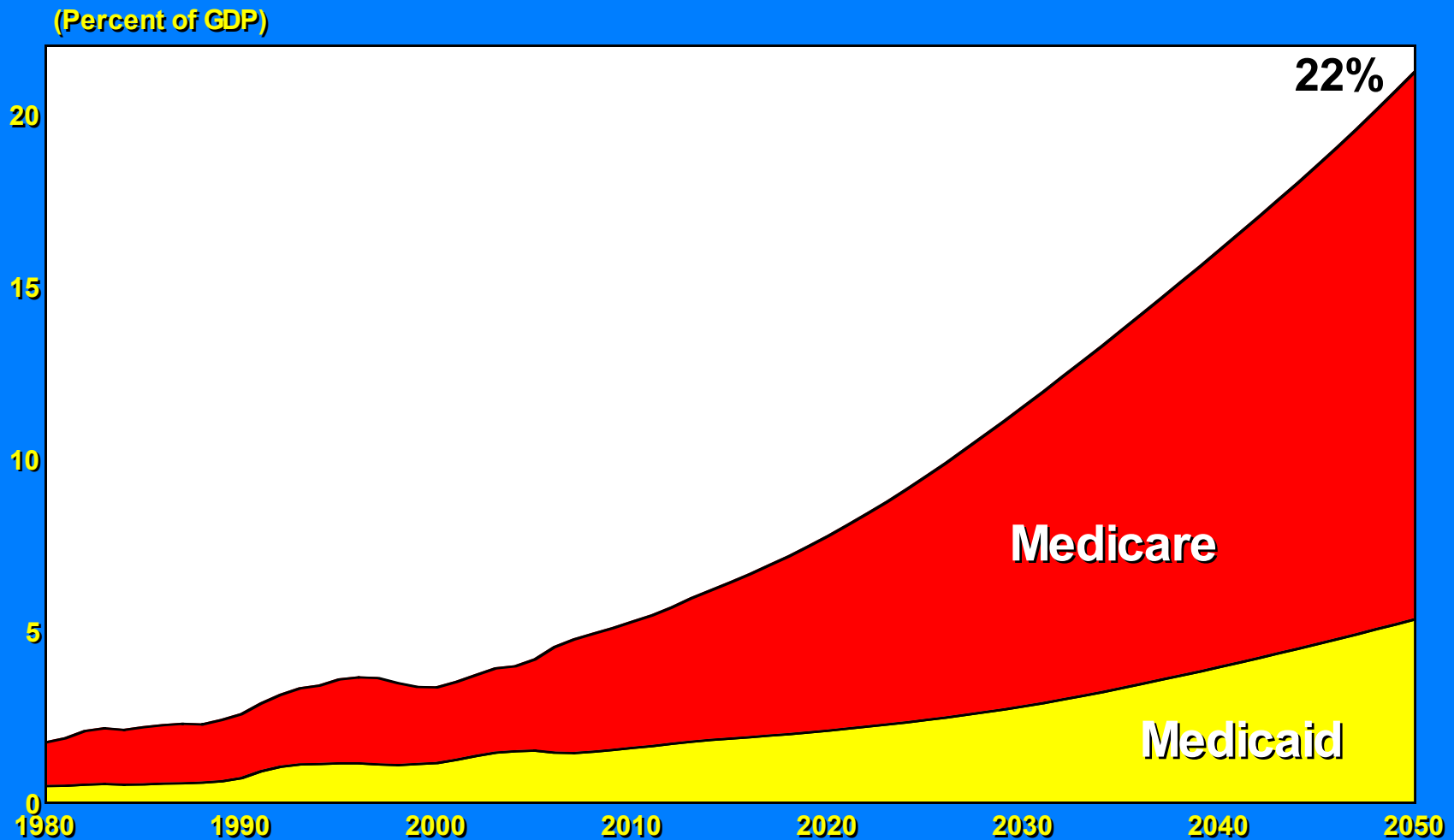
Present Value of Costs Over Next 75 Years

(\$ in trillions)



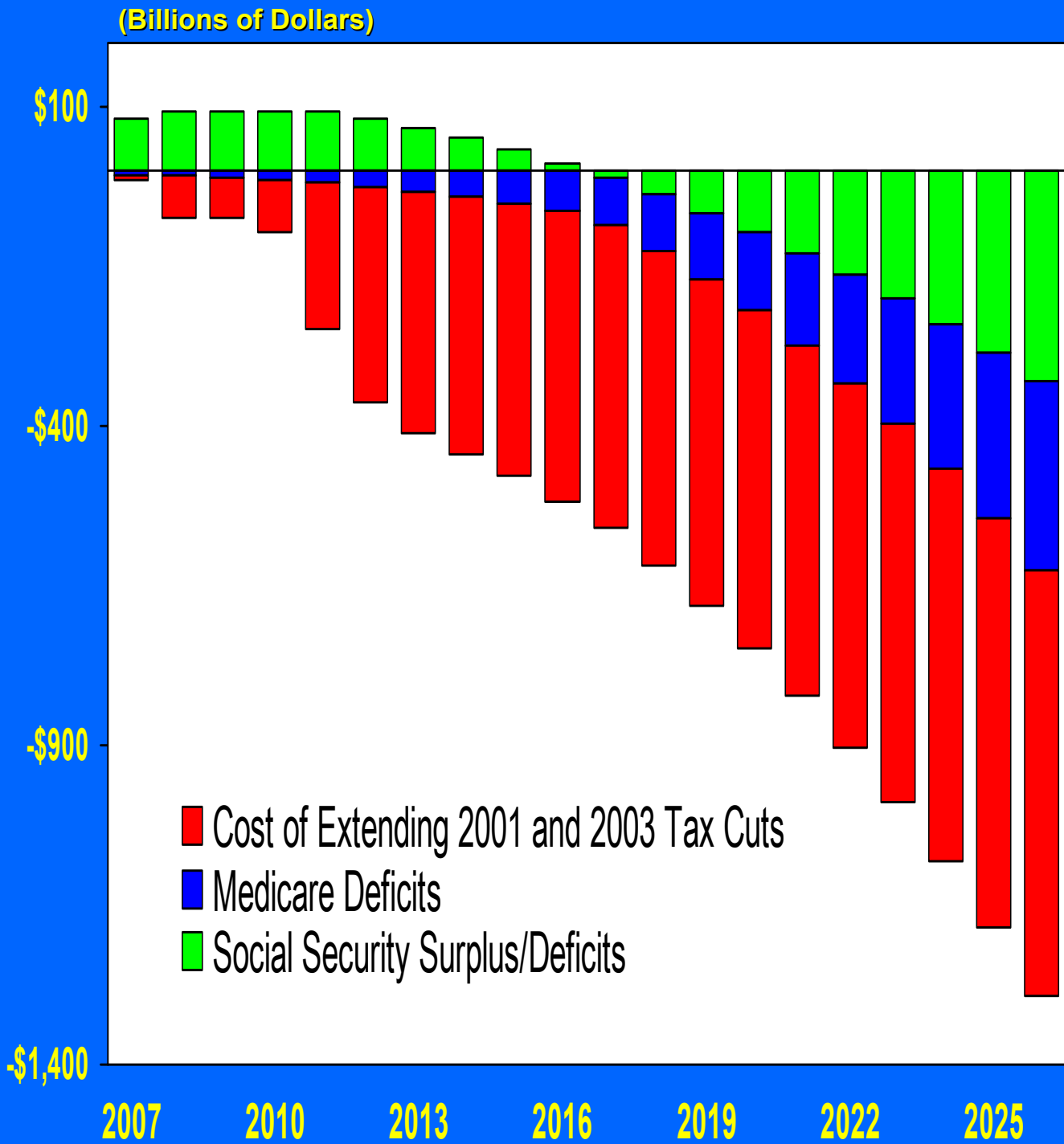
Source: Social Security Trustees 2006 Annual Report

Medicare and Medicaid Spending as a Percent of GDP 1980-2050



Source: CBO Long-Term Budget Outlook, December 2005. Projections assume excess cost growth of 2.5 percent for Medicare and Medicaid.

Tax Cuts Explode as Trust Fund Cash Surpluses Become Deficits FY 2007-2026



Source: Social Security Trustees 2006 Annual Report, CBO, CBPP, and SBC Democratic staff