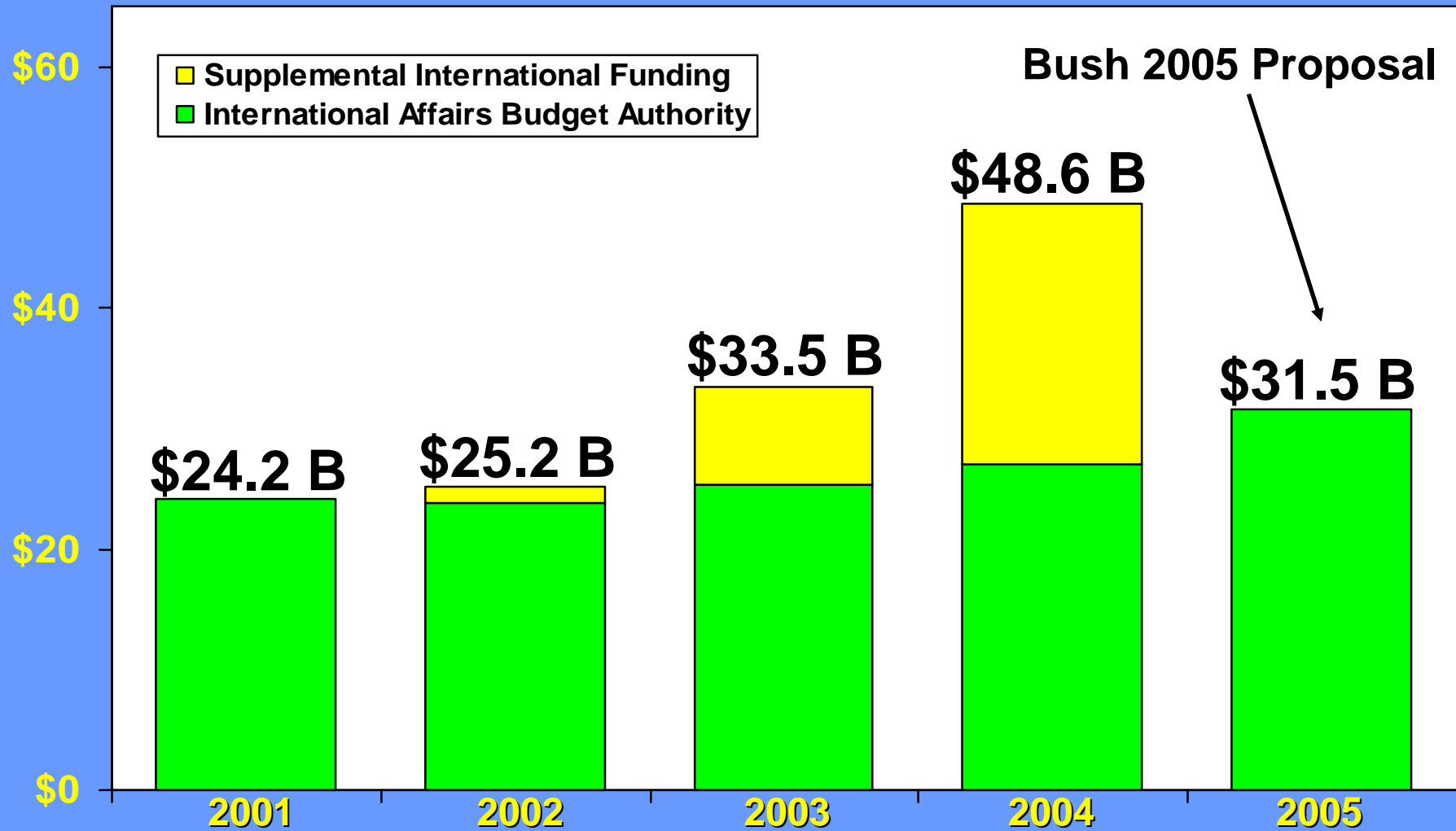


# International Affairs Spending

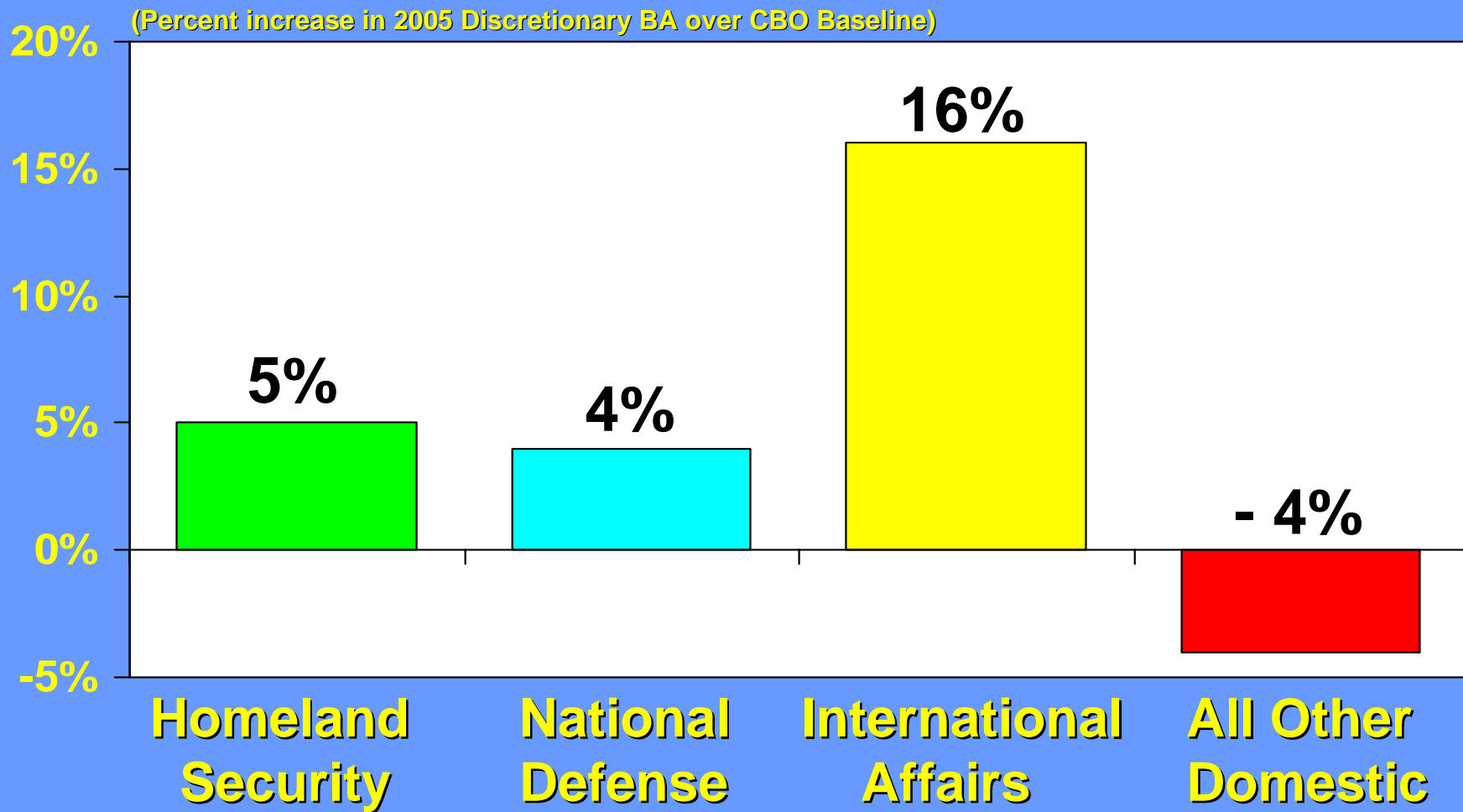
(Discretionary budget authority, \$ in billions)



Source: FY 2001-2004 OMB, FY 2005 Department of State

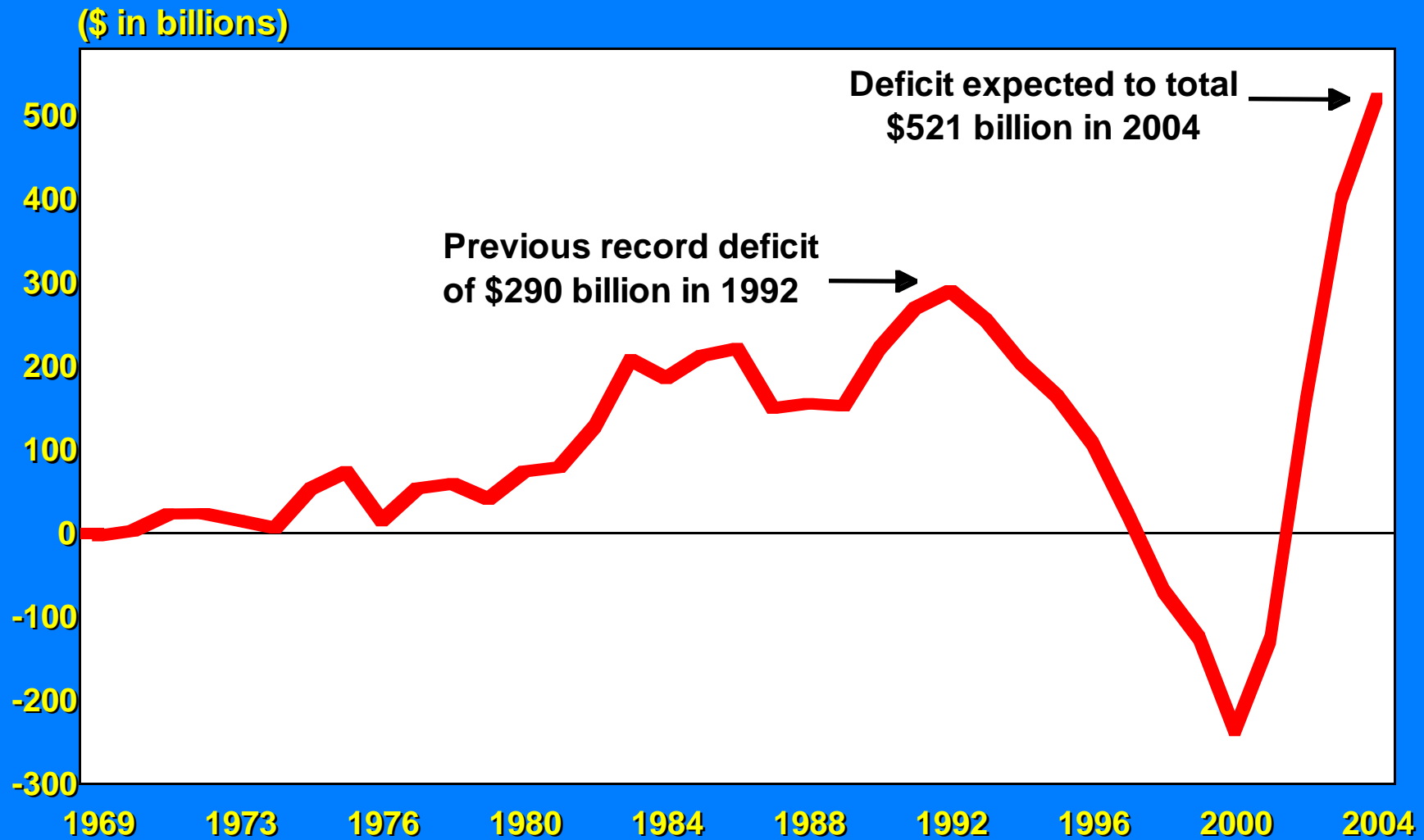
Note: Supplemental appropriations increased international affairs funding by \$1.3 billion in 2002, \$8.1 billion in 2003, and \$21.6 billion in 2004.

# International Affairs Receives Largest Percent Increase in Bush Budget



Source: OMB, CBO

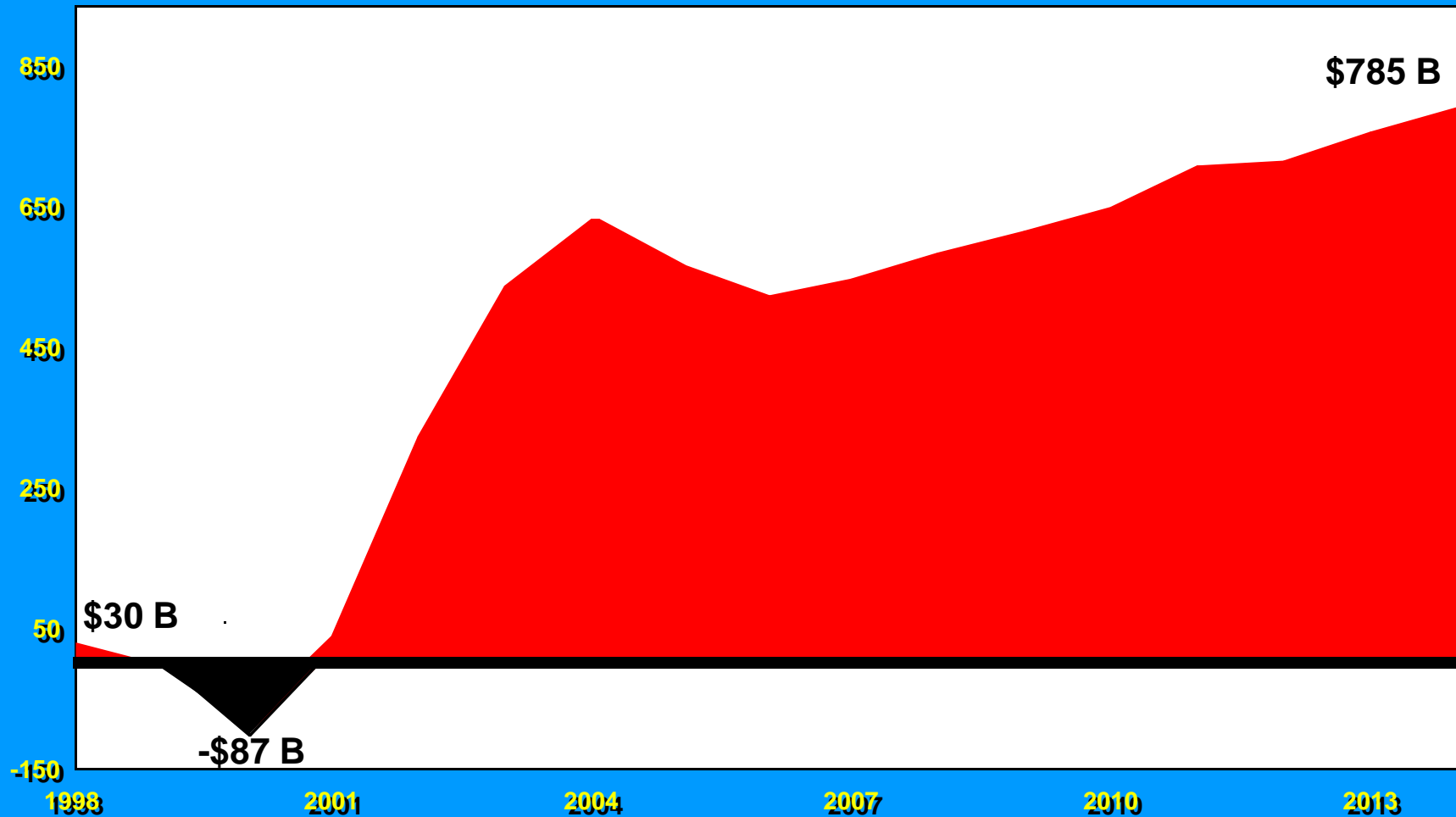
# Deficits in 2003 and 2004 Far Exceed Previous Record in Dollar Terms



Source: OMB

# Deficits Skyrocket with Extension of GOP Tax Cuts, AMT Reform, and Bush Defense Policies

(Deficit excluding Social Security in billions of \$)

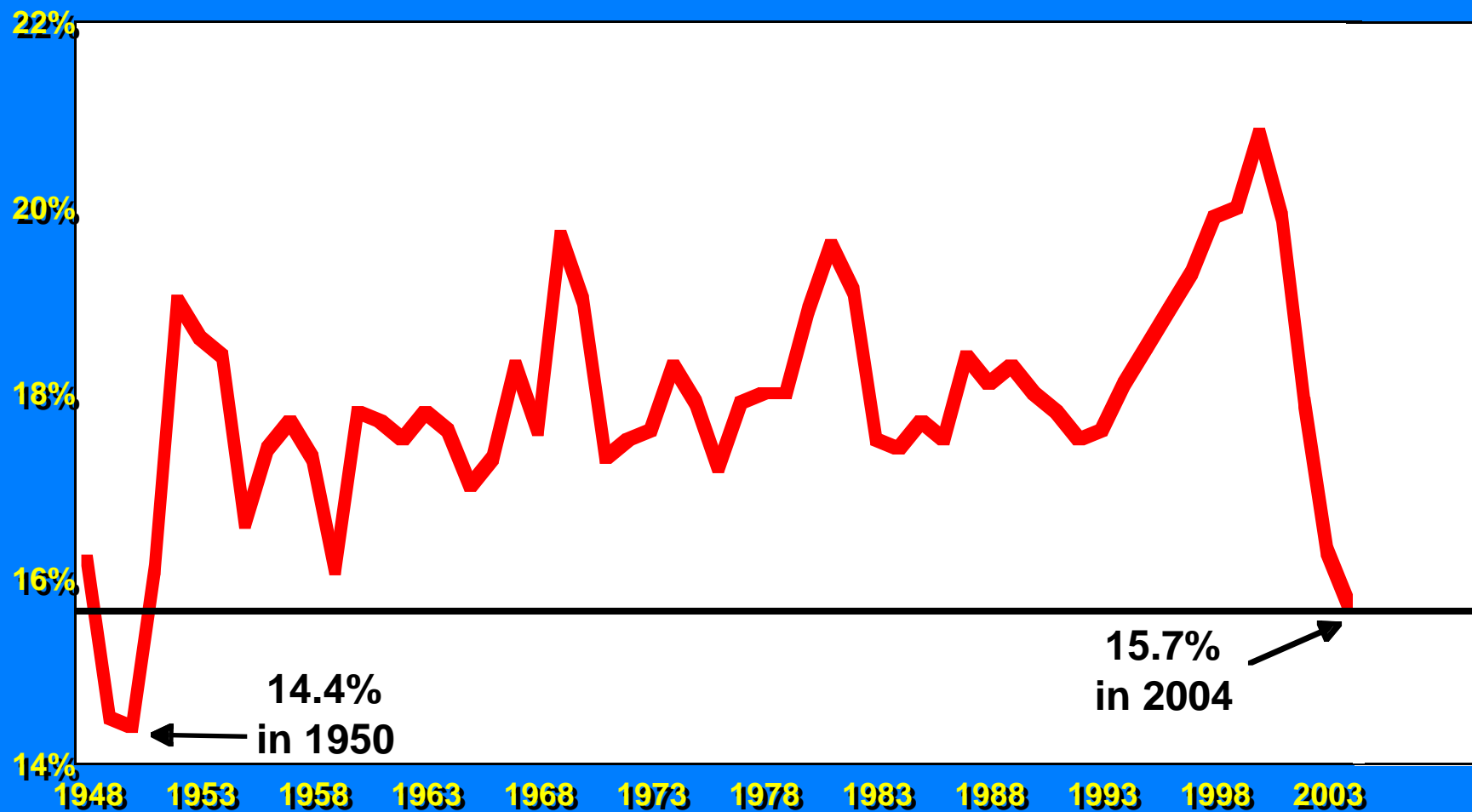


Source: CBO, SBC

Note: CBO January 2004 baseline plus extension of GOP tax cuts (EGTRRA/JGTRRA), other expiring tax provisions (except bonus depreciation), AMT reform, President's defense request, and estimates of new funding required to maintain ongoing military operations and war on terror. Discretionary totals treat \$87 billion supplemental as one-time expenditure.

# Revenues as a Percent of GDP

## Lowest Level Since 1950



Source: OMB

# **Secretary Powell on Increasing Debt to Pay for International Affairs Funding**

**“I think where we are right now is that for the foreseeable future, for the next several years, we may well have to increase the debt, as your chart shows, in order to deal with these priorities.”**

**–Secretary of State Colin Powell  
Testimony before Senate Budget Committee  
February 12, 2002**

# **Bush Deficits are Threat to America's Superpower Status**

**“The greatest threat to America’s primacy in the world comes not from its overseas commitments, explains the historian Niall Ferguson...: ‘It is the result of America’s chronically unbalanced domestic finances.’ The mounting federal budget deficits that now stretch out as far as the eye can see will mean – if history is any guide – sharp cutbacks in American military and foreign-affairs spending. We will see a forced retreat of America’s foreign policy similar to the years after the Vietnam War – only the cuts are likely to be much, much deeper and the resulting chaos far greater.”**

**– Fareed Zakaria**

**“Guns, Butter And the Deficit”**

***Newsweek*, February 16, 2004**