

October 17, 2007

## Meeting America's Real Priorities – Choices Matter

*While pushing for hundreds of billions in spending for Iraq, President Bush continues to reiterate his opposition to Democratic efforts to focus on America's real priorities. Over the last six years, President Bush and his allies in Congress turned a record surplus into a record deficit. The President never vetoed a single one of those spending bills. Now he has threatened to veto 10 of the 12 spending bills and refuses to negotiate on these bills. The 110<sup>th</sup> Congress is committed to a new direction of fiscal responsibility and smart investment in America's future. Under the Democratic-controlled Congress, the House has passed all 12 appropriations bills with bipartisan votes as part of our five-year balanced budget. The Congress is fully prepared to work with the President to meet the priorities of the American people, and has been asking for months for dialogue that could lead to a bipartisan compromise.*

**The 110<sup>th</sup> Congress is taking America in a New Direction -- putting the needs of the American people first and making long-delayed investments in our future, in a fiscally responsible way, using pay as you go with no new deficit spending.**

**Democrats are leading the fight for America's priorities.** The House has passed a bipartisan children's health insurance bill that will cover 10 million children of working families—and is fully paid for—and fiscally responsible appropriations bills that include:

- Better protecting America against terrorism, including 3,500 more firefighter grants than the President;
- Largest increase veterans' health care in history to strengthen quality care for 5.8 million veterans;
- Health care for 1 million more Americans through community health centers;
- Safer roads and bridges, creating American jobs;
- 3,000 more border patrol agents than last year;
- Up to 9,200 more school teachers for quality education for our nation's children;
- Cancer and other life-saving medical research;
- Up to 12,000 additional police officers to combat violent crime; and
- Greater food and toy safety protections.

**Republican leadership is fighting for President Bush's priorities.** The Bush Administration has poured more than half a trillion dollars into Iraq, while claiming that we cannot afford to meet key priorities that strengthen our position in the world and here at home. One week of U.S. spending in Iraq could have given nearly 2 million children health coverage for a year. The Bush Administration has put tax breaks for the richest of the rich -- imposing more debt for future generations to pay -- ahead of strengthening America's future.

## Bipartisan Support

**All 12 of the House appropriations bills have won bipartisan support:** Eight of 12 bills have won 40 or more Republican votes.

## The New Direction Congress Is Restoring Fiscal Responsibility

The 110<sup>th</sup> Congress is taking America in a New Direction, restoring fiscal responsibility and ensuring taxpayer dollars are spent wisely.

- **Pay-as-you-go Budget Discipline Restored:** Within the first 24 hours, the New Direction Congress restored strict budget discipline rules that succeeded in the 1990s in turning record deficits into record surpluses. The Congress has adhered to pay-as-you-go budget rules, while making investments in children's health care and in energy independence.
- **A Budget that Balances in Five Years:** The new Congress passed a budget that balances by 2012, without raising taxes. By contrast, the President's budget fails to reach balance, according to the nonpartisan Congressional Budget Office. In two of the last three years, the Republican-led Congress failed to adopt a final budget.
- **Making Tough Choices:** The domestic spending bills make tough choices – cutting lower priority programs so there are resources to reject the President's most harmful cuts and making targeted investments in veterans' care, education, health care, homeland security and law enforcement. They are under FY 2004 spending levels, after adjusting for inflation and population growth.
- **No Tax Increases:** The Democratic budget, adopted in May, calls for no tax increases and instead provides for additional middle-income tax relief. Leading non-partisan, budget watchdog groups, including the Concord Coalition and the Brookings Institution, confirm that the budget resolution contains no tax increases.
- **Unprecedented Transparency in Earmarks:** On day one of the 110th Congress, the Democratic-led Congress took the groundbreaking step of adopting rules that opened the process up to the light of day, with unprecedented disclosure of every project and who's requesting it, exposing such earmarks as the infamous "Bridge to Nowhere." And Democrats have dramatically cut the number 'earmarked' specific projects, reversing the Republican record of exploding earmarks.

## The Record of the Last Six Years of Republican Rule

From 2001 through 2006, President Bush and the Republican-led Congress presided over the most fiscally irresponsible period in American history and this year's President's budget fails to reach balance, according to the nonpartisan Congressional Budget Office.

- **From Surplus to Deficit:** A \$5.6 trillion, 10-year surplus under the Clinton administration became a \$2 trillion, 10-year deficit—a turnaround of nearly \$8 trillion.
- **Worst Deficits in History:** President Bush and the Republican-controlled Congress posted the three worst annual deficits in the history of the country -- \$378 billion in 2003, \$413 billion in 2004, and \$318 billion in 2005.
- **America's National Debt Skyrocketed:** The national debt increased from \$5.7 trillion when President Bush was inaugurated in 2001 to \$9 trillion today – and increase of 56 percent. The national debt is now \$29,500 for every American, and almost three-quarters of the national debt has been accumulated under the past three Republican Administrations (Reagan, George Bush Sr., and the current George Bush). And the White House requested and just signed an additional \$850 billion debt ceiling increase this year.
- **Borrowing from Foreign Countries at Record High:** President Bush has borrowed more from foreign nations than all the previous American Presidents combined. Furthermore, 80 percent of the new public debt has been borrowed from foreign creditors – making our fiscal integrity a matter of national security.

## Experts Note the Political Nature of President's Veto Threats

Stanley Collender, managing director of Qorvis Communications and a federal budget specialist, said "It's purely a power play by the White House," he said. "If these spending bills were coming from a Republican-controlled Congress, the president would be signing them and applauding the House and Senate for their fiscal responsibility." [Washington Post, 10/16/07]

Republican Rep. David Hobson, House Energy and Water Appropriations Subcommittee ranking member, said, "I don't know who's advising him up there, but the President is really out of touch. It's too little, too late for him to be a fiscal conservative. He should have vetoed the [2002] farm bill ... now he's against the SCHIP bill, he wants \$190 billion more for the war, but he's picking a fight over \$23 billion?" [Congress Daily, 10/05/07]

"Republican Rep. Ray LaHood of Illinois also sees partisan motives in the veto strategy. GOP leaders in Congress and the administration, he said, have decided "to put the veto threat out there, primarily on spending bills. We're trying to get our brand name back, which is 'fiscal conservatives.'" [AP, 9/24/07]

## President's Concern on Appropriations is New

- **Timing of past spending bills:** The President did not comment last year the Republican-led Congress failed to enact 9 of the 11 spending bills, leaving it to the new Democratic Congress to clean up their fiscal mess. In two of the last six years, Republicans have failed to enact any of the appropriations bills by the beginning of the new fiscal year (FY 02, 03).
- **Omnibus budgets:** President Bush did not comment when the Republican-led Congress passed an omnibus spending bill, instead of separate bills, in three of the six previous fiscal years (FY 03, 04, 05).
- **Timing of past Veterans spending bills:** President Bush did not comment when Republicans delayed three out of the last six veterans appropriations bill until after January 1 (03, 04,07), with the earliest enacted at Thanksgiving (FY 02, 06).
- **Timing of past Defense spending bills:** The President did not comment when the Republican-led Congress passed the Defense spending bill well after fiscal year had begun in three of the last six years (FY 02, 03, and 06). In FY 2005, the President did not get the Defense Appropriations bill until December 30th.