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## DEMOCRAT BUDGET PLAN:

### *The Largest Tax Increase in U.S. History*

On March 13, Senate Democrats released their budget resolution for fiscal year 2008. Democrats claim their plan will balance the budget by 2012, but they rely on a combination of smoke and mirrors and unworkable budget gimmicks to make the numbers add up. In fact, their plan drastically increases discretionary spending over five years and amounts to the largest tax increase in U.S. history.

#### **Largest Tax Increase in U.S. History**

- Fails to extend Republican tax relief, imposing a more than \$900 billion tax increase over the next five years.

#### **Significant Spending Increases**

- Increases non-defense discretionary spending by \$125-\$150 billion more than the president's request.
- Spends \$1 trillion of Social Security funds.
- Between 2008 and 2011, increases the deficit by \$200-\$300 billion and increases gross debt by \$2 trillion.

#### **“Smoke and Mirrors” Budget Gimmicks**

- Relies on “tax gap” revenue to supply as much as \$300 billion a year, an amount which is both grossly overstated and impossible to collect.

#### **Neglect of Long-Term Fiscal Problems**

- Makes no attempt to reduce entitlement growth, leaving Social Security, Medicare, and Medicaid on a path to bankruptcy.

*This budget “contains significant new spending, significant new taxes, significant new debt, and absolutely no attempt to address the long-term problems we face.” – Senator Judd Gregg, 3/14/07*



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## REPUBLICANS STAND FIRM ON SUPPORTING THE TROOPS AND THE COMMANDERS ON THE GROUND



- The Democrats' latest proposal would impose unworkable deadlines and timetables for withdrawal that would undermine the Petraeus plan.
- Their proposal would undercut our nation's efforts just when we are seeing signs of success.
- It also sends a message to the enemy that it simply has to wait a few months and we will be gone.

#### **The Democrats used to understand the horrible consequences of setting a timetable for withdrawal.**

- Senator Reid argued that setting a deadline “only empowers those who don't want us there.” – Remarks to National Press Club, 1/31/05.
- Senator Hillary Clinton has said, “I don't believe it's smart to set a date for withdrawal.” – Village Voice, 9/22/05.
- Senator Biden called a withdrawal deadline a “mistake,” explaining that it would “only encourage our enemies to wait us out.” – Remarks to Brookings Institution, 6/21/05.

#### **Just as General Petraeus is showing signs of success, Democrats would micromanage his mission and cut his resources:**

- As Maj. Gen. William C. Caldwell said yesterday, “This is going to take many months, not weeks, but the indicators are all very positive right now.” – AP, 3/14/07.
- For example, bomb deaths have gone down 30 percent in Baghdad since the U.S.-led security crackdown began a month ago.
- Execution-style slayings are down by nearly half.

#### **The consequences of withdrawal:**

The 2007 National Intelligence Estimate on Iraq warned of the likely consequences of a precipitous withdrawal from Iraq:

- Massive civilian casualties and forced population displacement.
  - Al-Qaeda in Iraq would use Iraq to increase attacks in and out of the country.
  - Kurdish moves could prompt Turkey to launch a military incursion.
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