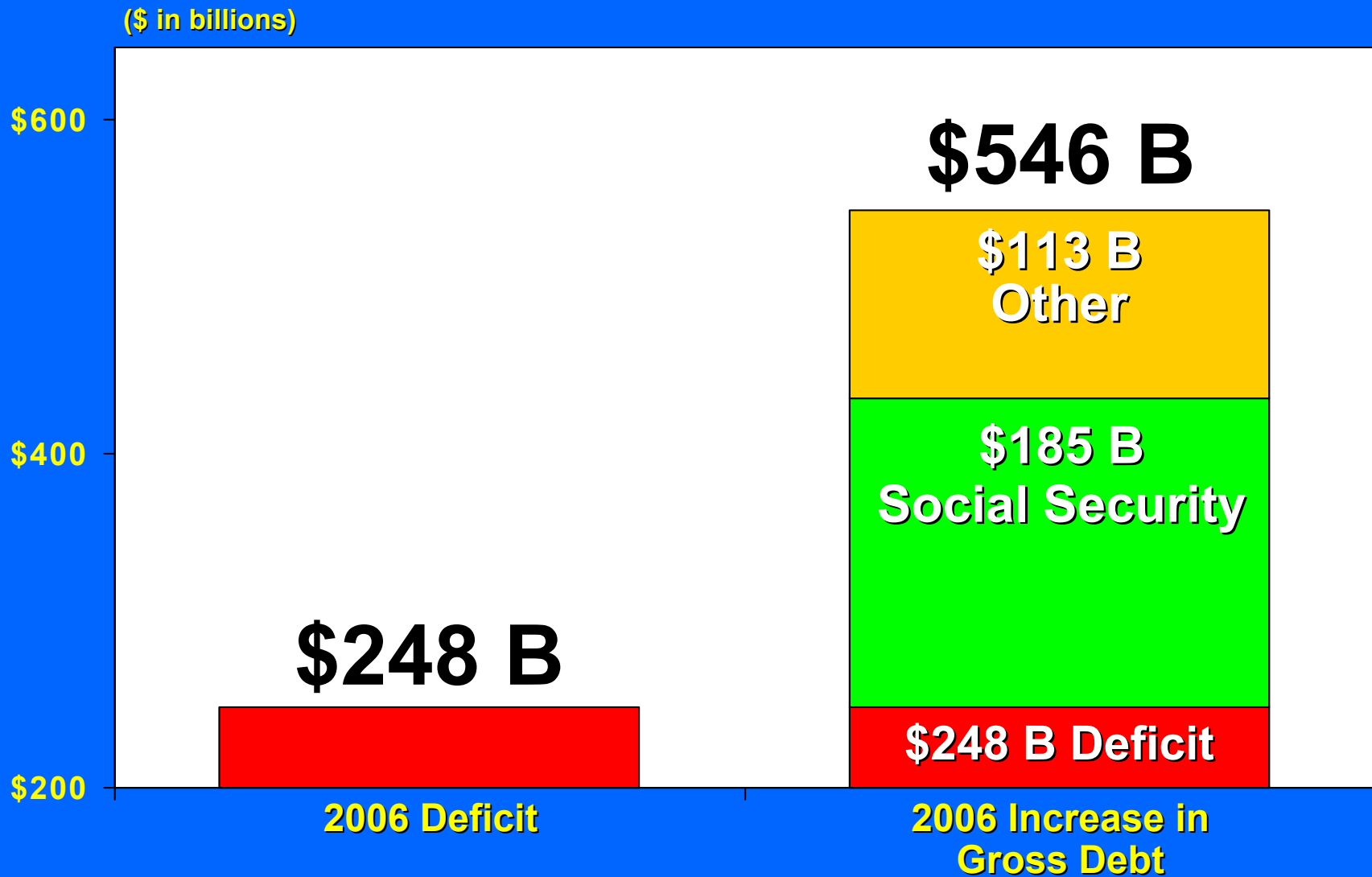


GAO Comptroller General Walker on Nation's Fiscal Path

**“The United States government
is on an imprudent and
unsustainable fiscal path.”**

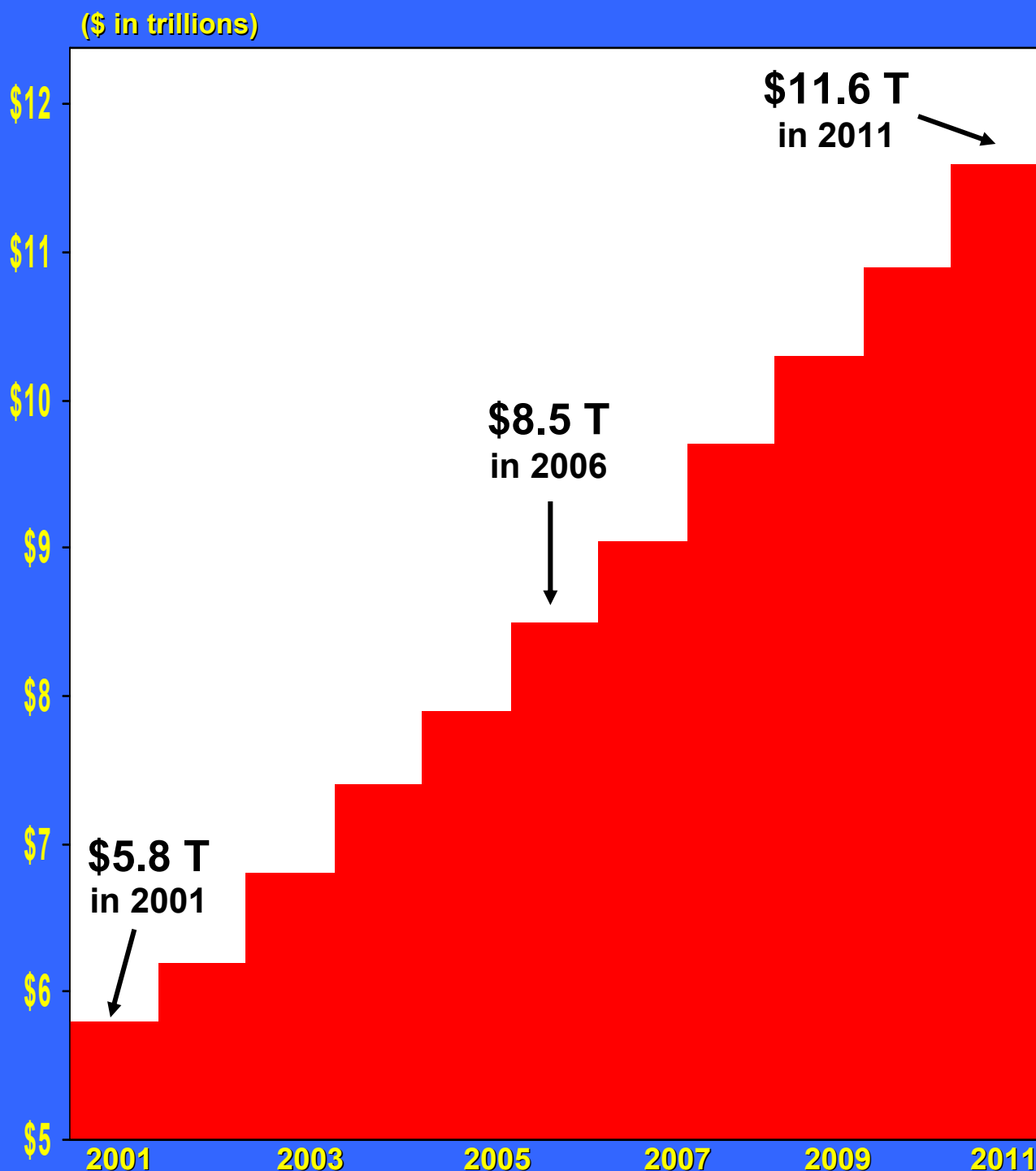
**– Government Accountability Office
Comptroller General David Walker
Remarks to American Institute for Certified
Public Accountants
August 21, 2006**

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



Building a Wall of Debt

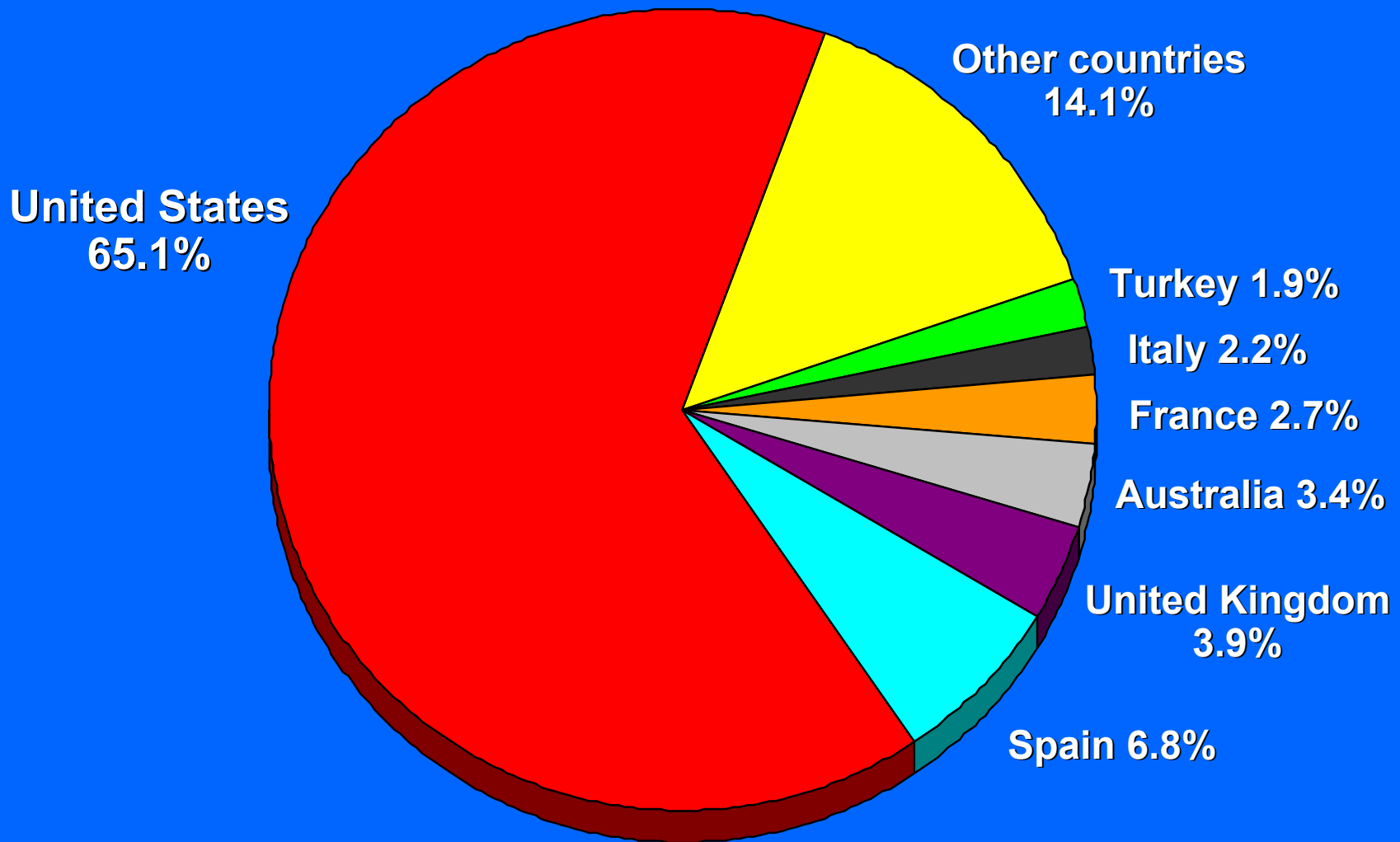
Gross Federal Debt Soars



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.

World's Biggest Borrowers



Note: Percent of world borrowing by country.
Source: IMF

Restoring Fiscal Discipline Act of 2007

- **Restores strong Senate pay-go rule
– new mandatory spending and tax
cuts must be offset or get 60 votes**
- **Allows reconciliation for deficit
reduction only**