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**STATEMENT BY ROBERT GREENSTEIN  
EXECUTIVE DIRECTOR  
IN RESPONSE TO  
PRESIDENT BUSH'S VETO OF THE  
LABOR-HHS-EDUCATION APPROPRIATIONS BILL**

We find it stunning for the President to reject a \$5 billion increase for education, medical research and other priorities as unaffordable, while insisting that Congress finance the \$51 billion cost of AMT relief through higher deficits instead of by closing tax loopholes exploited by multi-millionaires. The President's action speaks volumes — not about fiscal discipline, but about his misplaced values.

With this veto, the President is saying that this nation can't afford even to maintain current service levels in education, medical research, "meals on wheels" for the elderly, and other areas. In fact, he has proposed *cutting* funding for programs in the vetoed bill by \$7 billion below the current levels, adjusted for inflation. Congress, by contrast, would boost funding by \$5 billion.<sup>1</sup> To reach the President's funding levels, Congress would have to cut from the vetoed bill \$1.4 billion for medical research, \$1.3 billion for K-12 education, and \$254 million for Head Start, among other items.

At the same time, the Administration has denounced good-faith efforts in Congress to pay for AMT relief by closing several tax loopholes exploited by some of the wealthiest people in the country. The Administration and its backers are intent on protecting an unjustified tax break that millionaire hedge-fund managers use to shelter large sums in foreign tax havens and a dubious tax break that wealthy equity-fund managers exploit to pay taxes at lower rates than many middle-class families.

This veto is not about fiscal discipline. It is about priorities — whether multi-billion-dollar tax loopholes for a tiny number of very affluent individuals matter more than the needs of much of the public.

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<sup>1</sup> The difference between the President's budget request and the vetoed bill is \$10 billion, not counting a \$2 billion increase in advance appropriations that Congress provided for certain education and job training programs. Counting these funds, the difference is slightly under \$12 billion.