



# COMMITTEE ON THE BUDGET

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## TALKING POINTS

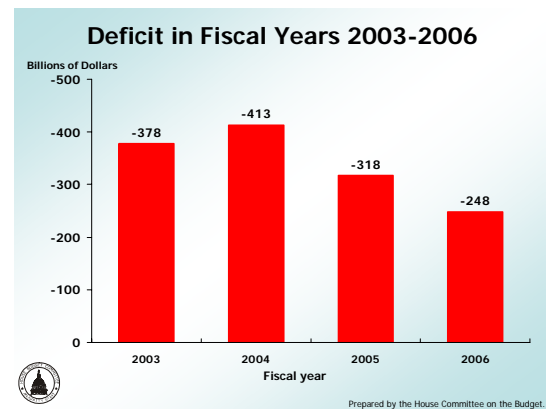
# TREASURY CONFIRMS DEFICIT DROP TO \$248 BILLION

The U.S. Treasury Department today released its final *Monthly Treasury Statement* for fiscal year 2006 showing the deficit at \$248 billion – even lower than last week’s Congressional Budget Office estimate.

### Substantial Deficit Reduction

*This final report once again shows that Republican policies of lower tax burdens and spending restraint yield a vigorous economy and shrinking deficits.*

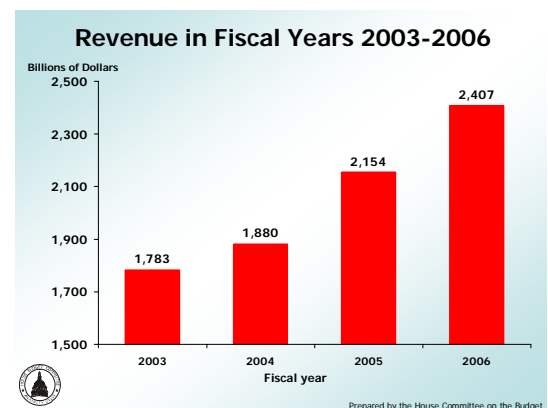
- This is a reduction of \$175 billion since the Administration’s January estimate, and a decline of \$71 billion from the FY05 final (actual) deficit.
- The deficit has fallen to 1.9% of the economy (GDP) – well below the average of the past 40 years.



### Solid Growth, Surging Revenues

*“Workers found jobs and got paid more, while consumers hit the stores and auto showrooms to spend some of the extra cash gained from falling gasoline prices.” (The Washington Post, “U.S. Job Numbers Remain Strong,” 10/07/2006)*

- Sustained economic growth has produced 6.5 million new jobs, pushed Americans’ net worth to record highs, reduced unemployment, increased worker productivity, *and raised wages.*
- This solid growth, fueled by lower tax burdens, has rapidly increased revenues to the federal Treasury. These surging revenues have been the main factor in driving down the deficit.
- Federal revenues are running 11.8% ahead of last year – higher than the average of the past 40 years – and faster than the 7.4% growth in spending.



### The Republican Plan Works!

Strong Growth, Lower Taxes, Higher Revenues, and Spending Restraint = Falling Deficits.

The Democrat “Plan” – Spend More, Tax More, and Save Nothing – is a recipe for fiscal disaster.