



REPUBLICAN CAUCUS

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PAUL RYAN: STOP THE SPENDING SPREE; PREVENT LOOMING TAX HIKES; SPUR JOB CREATION

Ranking Member Ryan praises Leader Boehner's plan for fiscal discipline & economic growth

WASHINGTON - House Budget Committee Ranking Republican Paul Ryan (WI-01) called upon Congress to take action on a common sense plan to restrain government spending, prevent the imposition of a \$3.8 trillion tax hike, and spur job creation. Earlier today, House Minority Leader John Boehner proposed a one-year freeze of government spending at 2008 levels and a two-year freeze of current tax rates.

In support of Leader Boehner's two-step job creation plan, Ranking Member Ryan issued the following statement:

“Washington's Neo-Keynesian economic experiment has failed, putting our exceptional nation on a path to our own lost decade. Uncertainty fueled by looming tax hikes and unsustainable levels of government spending continue to stifle job creation and stagnate growth. We must set a new course.

“Leader Boehner has offered an immediate plan of action to do just that: freeze non-security discretionary spending at FY2008 levels; prevent massive tax hikes on all Americans. This common sense plan marks the critical first steps to restrain the explosive growth of government and would provide much needed certainty for job creators to restart the engine of growth and prosperity.

“Just yesterday, the President's recently departed budget director joined the growing chorus of Republicans, Democrats, and respected economists in opposition to the looming tax hikes set to hit an economy that simply cannot afford it. We also cannot afford Washington's reckless spending spree, which is why Leader Boehner is exactly right to match his call to freeze taxes at their current rates with a proposal to cut and cap spending for the coming fiscal year. Earlier this year, Congressional Democrats gave up on a budget. With no budget, no priorities, and no restraints, it is irresponsible for Congress to jam through trillions more in record new spending followed by massive tax hikes in an attempt to pay for their profligacy. We cannot continue to chase ever-higher spending with ever-higher taxes.

“When the House returns next week, I hope there will be a bipartisan commitment to making Leader Boehner's common sense plan to restrain government spending and prevent the looming tax hike a top priority.”

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Additional notes:

- At the end of the year, the expiration of previously enacted tax relief will result in a \$3.8 trillion across-the-board tax hike unless Congress takes action. A growing bipartisan consensus argues for at minimum a two-year extension of tax rates at their current levels. Yesterday in the *New York Times*, the President's former OMB Director Peter Orszag wrote: "No one wants to make an already stagnating jobs market worse over the next year or two, which is exactly what would happen if the cuts expire as planned... [T]here is little reason not to extend the tax cuts temporarily"
(<http://www.nytimes.com/2010/09/07/opinion/07orszag.html>).
- President Obama and Democratic Congressional Leaders appear unconvinced by the former advisor's advice, and remain intent on their plan to raise taxes on small businesses, job creators, and American families. While many Republicans continue to call for permanent tax relief and additional pro-growth tax reforms, Leader Boehner has put forth a bipartisan compromise that can be taken up now by the Majority to provide certainty that this massive tax hike will not hit job creators at year's end, with a two-year freeze of current tax rates.
- For the first time in the modern era, the House failed to even propose, let alone pass, a budget for the upcoming fiscal year. For more on the Democrats' unprecedented budget failure: http://www.house.gov/budget_republicans/nobudget.pdf; http://www.house.gov/budget_republicans/budgetfail.pdf; http://www.house.gov/budget_republicans/press/2007/notabudgetjun2010.pdf. While operating without a Federal budget, Congress continues its pursuit of unchecked spending, out-of-control debt, and massive new tax hikes.
- To the keep the government from shutting down, Congress is required to pass appropriation spending bills, which will likely take the form of a bloated omnibus spending bill rushed into law in advance of the new fiscal year. Offering a common-sense alternative to such fiscal recklessness, Leader Boehner has called for a continuing resolution (CR) set at FY2008 levels for non-security discretionary spending.
- For additional specifics on spending cuts put forward earlier this year by House Budget Committee Republicans Paul Ryan (WI) and Jeb Hensarling (TX): http://www.house.gov/budget_republicans/press/cutspendingnow.pdf.

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