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## **PAUL RYAN: TOO MUCH SPENDING, TOO FEW JOBS** *U.S. Treasury Department reports \$1.3 trillion dollar deficit*

WASHINGTON – The Federal Government’s budget deficit for the fiscal year 2010 hit \$1.3 trillion, according to a report released earlier today by the U.S. Treasury Department. This marks the second straight year the Federal government spent more than one trillion dollars in borrowed money, and the first time in modern history that the U.S. House of Representatives failed to pass a budget to account for their fiscal mismanagement.

In response to Treasury’s findings, House Budget Committee Ranking Member Paul Ryan (WI-01) issued the following statement:

*“Today’s Treasury report makes clear Washington’s reckless spending spree plunged our nation deeper into debt. The \$1.3 trillion deficit underscores the irresponsibility of Congress’ failure to pass a budget for this year. We cannot afford the twin deficits of too much spending and too few jobs – both the result of Washington’s failed economic policies. We urgently need to chart a new course.”*

Key facts about Washington’s fiscal failures:

- **Spin Can’t Hide Substance.** The Obama Administration is seeking to put a positive gloss on the objectively terrible budget news. While statements from the Administration argue their fiscal stewardship improved the budget situation, a closer look at the FY2010 data shows the explosion in Federal spending and the continued weakness in the U.S. economy.
  - o The Obama Administration seeks credit for the \$1.3 trillion dollar budget deficit coming in slightly lower than projected. Rather than any actual fiscal restraint, the lower figure is due to smaller outlays from recent one-time interventions in the economy. When lower-than-anticipated spending from the Troubled Asset Relief Program, Federal deposit insurance, Fannie Mae, and Freddie Mac are excluded, government spending continued to substantially increase in 2010.
  - o The Obama Administration also sought credit for higher revenue than anticipated, but this increase is almost entirely due to the increase in Federal Reserve’s earnings from its \$2.3 trillion balance sheet. Both individual income and payroll tax collections declined in 2010, a reflection of anemic economic growth and high unemployment.

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- **Unprecedented Surge in Spending.** Since January 2009, House Democrats passed more than \$3 trillion in *new* spending increases, with a 24% increase in non-defense discretionary spending.
- **Unsustainable Deficits and Debt.** The \$1.3 trillion deficit pushed total debt past \$13.6 trillion this year. While Congress failed to pass a budget this year, the President's budget plan doubles the debt in five years, and triples it in ten.
- **More Spending, More Borrowing.** Speaker Nancy Pelosi recently [announced](#) her intention to advance legislation during the lame duck session next month to add another \$14 billion to the deficit and debt with another spending proposal. President Obama, despite recently [admitting](#) "*there's no such thing as shovel-ready projects,*" continues to call for \$50 billion in new stimulus spending.
- **Higher Taxes.** Democratic leaders rejected a bipartisan consensus that opposes across the board tax hikes set to hit on January 1, and instead adjourned with a promise to [raise taxes](#) on families and small businesses amidst continued economic hardships. House Republicans argue to stop the tax hikes and cut government spending to help spur economic growth, job creation, and fiscal responsibility.

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