



REPUBLICAN CAUCUS

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RYAN STATEMENT ON TREASURY REPORT: FY2009 DEFICIT AT \$1.4 TRILLION

The Federal Government's deficit for fiscal year 2009 hit \$1.4 trillion, according to the final tally released today by the U.S. Treasury. The summary confirms deficit levels that recent estimates had projected.

Rep. Paul D. Ryan (R-WI), Ranking Republican on the House Budget Committee, issued the following statement regarding the report:

"There is no doubt we started the year in a difficult fiscal situation. But Congress and the Administration have made a bad situation much worse with an unrelenting spending binge that has plunged our nation into a dangerous level of deficit and debt.

"The most shocking part of today's news is that Washington's only response is to dig the hole deeper. There is absolutely no plan to get this alarming situation under control. In fact, using the President's own numbers, his budget would triple the debt in the next decade.

"This year's unprecedented deficit makes clear that Washington is incapable of responsibly managing our nation's finances. This Congress has twisted the budget away from its original role – which is to control spending and reduce deficits – and turned it into a means for leveraging ever-higher spending. The time has come to require Congress – by law – to control its dangerous spending appetite with binding budget controls. I, along with Budget Committee Vice Ranking Member Jeb Hensarling, will soon introduce legislation to do just that."

Key facts about the budget outlook include:

➤ **Deficit.**

- ▶ At \$1.4 trillion, this year's deficit is more than three times that of a year ago (\$455 billion). As a share of the economy, it is 10 percent of gross domestic product [GDP], the highest level since World War II.
- ▶ Under the President's budget, the Federal Government will run deficits in excess of \$700 billion every year. By OMB's estimates, the deficit rises to an unsustainable level of 4 percent of GDP by 2019.

➤ **Debt.**

- ▶ Debt held by the public rose above \$7.5 trillion - or over 50 percent of GDP - the highest level as a share of the economy in over 50 years.
- ▶ Under the President's budget, the debt is projected to double in the next five years and triple in the next 10 years – and will be roughly three-fourths the size of the entire economy in 2019, according to OMB.

➤ **Spending.**

- ▶ The deficit figures are driven by government spending, which exceeded \$3.5 trillion in 2009, or 24% of GDP, the highest level since World War II.
- ▶ Despite claims that this deficit was “inherited,” here are just a few examples of extraordinary government expansion and spending over the past 9 months:
 - The trillion-dollar ‘stimulus,’ a bloated omnibus spending bill with nearly 9,000 earmarks, and use of Troubled Asset Relief Program [TARP] funds to take over auto companies, among others, all of which have been justified as critical to ‘help the economy.’
 - It also includes a spending increase for non-defense discretionary programs of a whopping 11 percent – compared to this year’s inflation rate of less than zero – and that is in addition to the double- or even triple-digit increases many of these programs received just weeks before in the economic ‘stimulus’ bill.
- ▶ These figures *do not* include the additional spending Congress and the Administration have planned for the remainder of the year, including – but not limited to – cap-and-trade legislation, the planned government takeover of health care and student loans, financial regulation, and more to come with the President recently endorsing a second round of ‘stimulus’ spending.
- ▶ This government expansion will add to the already unsustainable growth in entitlement spending, and the roughly \$62 trillion in unfunded liabilities the government already faces, according to the Government Accountability Office.