



HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200

October 14, 2004

Administration Announces 2004 Deficit An All-Time Record

Dear Colleague:

Today the Administration announced that the 2004 deficit is the largest in history — \$413 billion — breaking last year's record \$377 billion deficit by \$36 billion.

This announcement is the latest in a long series of troubling news items about the budget. Just this morning, the Administration announced that rising debt has hit the statutory limit for the third time in three years. The Administration may attempt to tout today's numbers as somehow representing an "improvement" over the inaccurate estimates that it offered earlier in the year. But there is simply no credible way to represent the largest deficit in history as good news.

Attached is a statement I released today on the new deficit numbers. Please do not hesitate to contact me or the House Budget Committee Democratic staff if you have any questions.

Sincerely,

/s

John M. Spratt, Jr.
Ranking Member

News from U.S. Rep. John Spratt (D-SC)
Assistant to the Democratic Leader
Ranking Member, Committee on the Budget
US House of Representatives – Washington, DC

www.house.gov/spratt | www.house.gov/budget_democrats

Thursday, October 14, 2004 – For Immediate Release
Contact: Chuck Fant, 202-225-5501

Spratt Statement on New Deficit Numbers

WASHINGTON — U.S. Rep. John Spratt (D-SC) issued the following statement on the final 2004 deficit figure released today by the Administration.

“Today the Administration announced that the 2004 deficit will be the largest in history — \$413 billion — breaking last year’s record \$377 billion deficit by \$36 billion. This deficit represents a remarkable deterioration from the \$268 billion *surplus* that the Administration projected (including the cost of its proposed policies) when it took office in 2001 — a \$681 billion swing in the wrong direction for 2004 alone.

“While the 2004 deficit is an all-time high, the full picture is even worse. When the Social Security Trust Fund surplus is removed from the figures, the 2004 deficit is actually \$564 billion, or more than 5 percent of GDP.

“This announcement is the latest in a long series of troubling news items about the budget. Just this morning, the Administration announced that rising debt has hit the statutory limit for the third time in three years, and that the Secretary of the Treasury is avoiding a default only by undertaking extraordinary actions such as disinvesting from a Federal Employees Retirement System investment fund. The debt limit now must be raised again, despite the fact that only 17 months ago the limit was raised by a record \$984 billion.

“The Administration may attempt to tout today’s numbers as somehow representing an ‘improvement’ over the inaccurate estimates that it offered earlier in the year. But there is simply no credible way to represent the largest deficit in history as good news.

“Republicans control the House, the Senate, and the White House; but today’s release shows that they have failed to control the budget, and cannot escape responsibility for these results. Every year on their watch, the bottom line of the budget has gotten worse and worse.”

###