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**HATCH STATEMENT AT FINANCE HEARING EXAMINING
THE PRESIDENT'S FISCAL YEAR 2015 BUDGET**

Treasury Secretary Jack Lew Testifies

WASHINGTON - U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following remarks during a Senate Finance Committee hearing examining the President's budget proposal for Fiscal Year (FY) 2015 with Treasury Secretary Jack Lew:

To begin, I'd like to note some problems with the process by which this proposed budget has been unveiled.

First of all, we received this budget just yesterday, a full month past the statutory deadline.

And, what budget information we did receive yesterday is incomplete.

For example, when you look at the appendix of the budget, there is often reference to a section called "Analytical Perspectives," but those perspectives are nowhere to be found.

I assume that the rest of the budget information is forthcoming. Still, we can only wonder why it is being released a few pieces at a time.

The administration appears to be approaching this hearing in the same way, as we did not receive Secretary Lew's written testimony until late last night, which was less than helpful.

When we get past the process issues and into the substance of the President's budget, we see that the administration appears to be short on new ideas. Indeed, this budget consists largely of proposals from President Obama's past budgets, which is surprising given that none of them have received a single affirmative vote in Congress.

These proposals represent a continuation of three familiar themes.

First, we see the administration's continued insistence that we can achieve prosperity by adopting more tax-and-spend policies that grow the federal government.

Second, there are the proposals centered on the apparent belief that even more income redistribution will somehow lead to economic growth and job creation.

And, finally, we see another attempt to define "tax reform" as a process of raising taxes in order to fuel more federal spending while closing whatever the administration deems to be a "loophole" in the tax code.

Based, in part, on rosy economic assumptions, the administration believes that its proposals will reduce our high debt-to-GDP ratio. But, to get there – and to help fulfill its tax-and-spend objectives – the budget envisions well over \$1 trillion of additional taxes in the face of a persistently sluggish economy.

That bears repeating: President Obama's latest budget contains more than a trillion dollars in proposed tax hikes.

The administration claims – as it has for years now – that these additional revenues are needed to restore fiscal responsibility and reduce the deficit as part of a quote-unquote balanced approach.

However, we need to look at the facts.

Let's consider the deficit reduction that has occurred since the high-deficit watermark achieved in Fiscal Year 2009. From the deficit of over \$1.4 trillion in that year, the deficit fell to a still-high \$680 billion in Fiscal Year 2013. Of the \$736 billion of deficit reduction, \$670 billion came from increased revenue and only \$66 billion came from reduced outlays.

So, in terms of budget realizations, rather than promises for the future, less than nine percent of the deficit reduction between 2009 and 2013 came from reductions in spending. The vast majority came from increased revenue.

Yet, remarkably, in the face of that history, the administration's insatiable desire for higher taxes leads it to propose more tax hikes along with even more spending.

Put simply, the tax hikes envisioned in the President's budget are not what our struggling economy needs.

Unfortunately, while having pledged to focus like a laser on jobs, this administration decided over the past five years to focus on expanding government with a failed stimulus, the Affordable Care Act, and initiatives like the Dodd-Frank Act that is growing the big banks and shrinking community banks.

None of those efforts laid a foundation for economic growth. And, sadly, the budget offered this week does not present a vision for such growth in the future.

Instead, this budget proposal appears to be a political document, designed to shore up support from the President's left-leaning base in an election year. This, needless to say, is disappointing given all the real challenges our nation continues to face.

As you can see, Mr. Chairman, we have a lot to discuss today when it comes to the proposals in this budget. And, there are other issues at the Treasury Department that also warrant our attention today.

For example, I find it incredible that, even with all the challenges our nation is facing, the Treasury Department has decided to place the singling out of 501(c)(4) organizations for scrutiny near the top of its administrative agenda.

As with the budget, it appears that politics are driving the decision making when it comes to promulgating regulations through Treasury. In my view, it would be useful for the administration to focus more on growth in the economy and jobs than on how the President's party will fare in the next election. With those concerns in mind, I look forward to today's hearing. Thank you, Mr. Chairman.

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