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“David Wessel does a first-rate job at providing insight into complex fiscal issues. Anyone wanting to understand the key players, pivotal moments, and high stakes in the critical issue of America’s long-term unsustainable debts would be very well served by *Red Ink*.”

—Peter G. Peterson, founder of Blackstone Group and the Peter G. Peterson Foundation, and author of the bestseller *Running on Empty*

“A highly informative volume designed to give voters a grip on what exactly is at stake . . . Wessel doesn’t tell you how to think, but he does give you the facts to think more clearly about what needs to be done.” —*Kirkus Reviews*

“The federal budget deficit is among the country’s most discussed but least understood policy issues. If only everyone would read David Wessel’s *Red Ink*.”

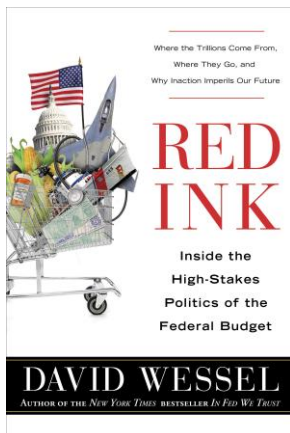
—Alan S. Blinder, Gordon S. Rentschler Memorial Professor of Economics and Public Affairs at Princeton University, and former vice chairman, Federal Reserve Board

New book by Pulitzer Prize–winning journalist David Wessel is compelling, accessible account of the people and politics behind the federal budget

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RED INK details how we got here, where the trillions come from, where they go, and why this can’t go on forever

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For the past few years, the federal budget and the budget deficit—the difference between what the government takes in and what it spends—have been near-constants in the headlines. Yet the scale of the budget is so overwhelming, the numbers so huge, and the jargon so impenetrable that they are nearly impossible for the layperson to comprehend. In **RED INK: Inside the High-Stakes Politics of the Federal Budget** (on sale July 31), David Wessel cuts through the rhetoric and the lingo to explain from whom the federal government raises revenues, exactly where it spends that money, and why the federal budget is on an unsustainable course. “I wrote **RED INK** for all the people out there who know the budget and the deficit are important issues, but haven’t made it to the end of any *Wall Street Journal* article on the subject,” says Wessel, economics editor for that paper and author of the *New York Times* bestseller *In Fed We Trust*. “While this topic pretty much used to be of interest to only politicians and economists, now not a day goes by in which I don’t have someone asking me to explain to them the fix we’re in.”

Weaving facts and figures with anecdotes and the personalities of key actors in the federal budget—including Defense Secretary Leon Panetta and White House chief of staff Jack Lew, as well as Wisconsin Republican representative Paul Ryan and Ohio Republican senator Rob Portman—Wessel tells how the government grew to its current scale and then illustrates where the money actually goes. “Anyone in Washington who is serious about trying to steer the government to the right or left understands the power and import of decisions on taxes and spending embodied in the budget,” Wessel says. “The line between fact and

opinion, though, is too often blurred in the current debates. The facts aren't political; they're the facts. The choices about what to do about them are political. I've tried to present the facts, so people can make intelligent political choices."

To put the federal budget into context, **RED INK** notes:

- Nearly two-thirds of annual federal spending is on autopilot and goes out the door without an annual vote by Congress. In 2009, for the first time in the nation's history, *every dollar of revenues* had been committed (to Social Security, Medicare, and other so-called entitlements) before Congress even walked in the door
- The U.S. defense budget is greater than the *combined* defense budgets of the next seventeen largest spenders
- Firing every federal government employee, from the president on down to the custodian at the Statue of Liberty, wouldn't save enough even to cut the deficit in half
- Today about \$1 of every \$4 the federal government spends goes to health care, and that share is rising inexorably toward one-third as America ages
- For every dollar the U.S. government spent in 2011, it borrowed 36 cents, much of it from China, where the income per person is about one-sixth of that in the United States
- The net interest tab on the government debt was about \$230 billion in 2011, which exceeded the budgets of the departments of Commerce, Education, Energy, Homeland Security, Interior, Justice, and State, plus the federal courts, combined

David Wessel puts these mind-boggling facts and figures in context, explaining why they matter and how we arrived at the current fiscal crisis we are in. **In an interview, he can discuss:**

- Why the Congressional Budget Office is one of the few institutions in Washington that actually works as designed
- Why defense secretaries in Democratic and Republican administrations agree that health care costs are, as former Defense secretary Robert Gates put it, "eating the Defense Department alive"
- Whether Congress will drive the country off the "fiscal cliff" at year-end with tax increases and spending cuts that it enacted to try (so far unsuccessfully) to force the long-sought fix to the federal deficit
- How Obama's and Romney's approaches to the deficit differ
- How much of the current deficit problem is Obama's doing, and how much he inherited
- Why it is so much harder to forge a deficit-reducing compromise today than it was during the Reagan and Clinton years
- Why Social Security is one of the most misunderstood parts of the federal budget, and why it would be easy to make it financially stable
- Why rising health care spending is the biggest and toughest issue in controlling federal spending
 - The overlooked fact that for most Americans, the share of income paid in taxes to Washington has come *down* over the past few decades

A compelling narrative of the hot-button issue of our time, **RED INK** takes readers on an inside-the-Beltway tour of the high-stakes politics, the key players, and the pivotal facts behind where our federal money goes, and why our current fiscal direction is unsustainable.

RED INK: Inside the High-Stakes Politics of the Federal Budget

by David Wessel

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www.davidwessel.net