The Daily Dish

Trillions of Dollars of Laughs

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A little humor is important in life. To get mine, I regularly consult whitehouse.gov, which recently produced these budgetary knee slappers:

"[T]oday, we have further proof that we're rebuilding the economy in a responsible way. Today, my administration announced that this year the deficit fell by $1.4 trillion — the largest one-year drop in American history — $1.4 trillion decline in the deficit. Let me repeat that: the largest-ever decline in the federal deficit."

Let us be very clear. Those are the facts, but the vast majority of the deficit reduction came from ending pandemic emergency programs and the sunset of most of the American Rescue Plan (ARP), the ill-begotten $1.9 trillion stimulus that lit the fuse on the inflation that plagues us today. The administration fought these sunsets at every step. Had it been even moderately successful in doing so, the deficit would not only be wider in fiscal year 2022, but as far as the eye can see. The claim of "responsible" fiscal policies is laughable.

"Let me be clear: This record deficit reduction includes the cost of my student loan plan and everything else we're paying for. The deficit is down $1.4 trillion this year, even after accounting for 30 years of debt relief paid in advance."

Uh, let me be clear: "Paying for" something means implementing a budgetary action to offset a program. In this case, "paying for" student loans means raising taxes by $420 billion or lowering other spending by $420 billion. The president has done no such thing. If it were true, the deficit would be $1.0 trillion.

"You know, we're going from a historically strong economic recovery to a steady and stable growth while reducing the deficit…."

This one is really rich. The administration inherited an economy growing strongly (6.5 percent in the first quarter of 2021) with inflation under 2 percent. The combined

mismanagement of the ARP and overly loose monetary policy has generated 6.6 percent core consumer price inflation and the threat of a recession. Terrific.

The real mystery is why the White House would so transparently oversell its budgetary accomplishments. Having the president repeat silly claims in public hardly seems like a route to greater confidence in his policies.