

OMB figures tell the story

Written by Neil A. Davis, Gothenburg
Wednesday, 20 April 2011 21:11 -

In my last letter I refuted the claim (of the 03-23 letter) that, "This year's deficit came about as a result of two unpaid for wars, two unpaid for Bush tax cuts..." I wrote that the 2007 deficit under Bush was \$165 billion. A rebuttal letter (04-13) called that figure inaccurate, not knowing where it originated. The U.S. Office of Management and Budget keeps track of these figures. The deficit had been in a three-year decline, in spite of build-up against the war on terrorism, rebuilding of our military after Clinton and the wars themselves.

Next came the myth, "...our revenue coming in was reduced because of tax cuts." Actually, the 2003 tax cuts (dividend and capital gains rates) generated above average revenue (as always when properly applied). The deficit was not unmanageable at the end of 2007. Ever-growing entitlement spending was.

The writer made the claim that because supplemental appropriations outside the budget process were used to fund the wars, "...it looked like Bush's deficits were lower than they actually were."

An argument could possibly be made for that in a projection, but not when looking back at past years' debt. That funding can't just disappear. It adds to each annual deficit as it is appropriated and becomes part of the debt. Obama continued the use of supplemental appropriations.

First it was about deficit, now it's debt. I wouldn't think the writer would want to go there. Wikipedia was cited this way "...the national debt was almost doubled from \$5.6 trillion in 2000 to \$10.3 trillion by December of 2008."

Wait a minute, \$10.3 trillion is almost two times \$5.6 trillion (\$11.2 trillion)? Oh, what's a measly \$900 billion? I use Wikipedia for general information, but they don't always get the numbers right. Their page reads, "Welcome to Wikipedia, the free encyclopedia that anyone can edit."

The following numbers are also from the OMB. The debt increase for (Bush's) first seven years was \$3.333475 trillion, an average of \$476.21 billion/yr. The 2008 figure was \$1.017072 trillion, TARP being a substantial part of that. The average over eight years was \$543.82 billion/yr.

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Let's look at our community agitator's figures. \$1.885104 trillion for 2009 and \$1.651794 trillion for 2010 make a two year total of \$3.536894 trillion. (Obama) increased the debt more in two years than (Bush) did in seven. It's probably too early to criticize Barry for his \$1.768447 trillion/yr. average. He's just getting started.

Think back to the speech Obama made and how the idiots in the crowd responded after Republicans criticized his Porkulus/stimulus bill.

"So then you get the argument, well, this is not a stimulus bill, this is a spending bill. What do you think a stimulus is?" (Laughter and applause.) "That's the whole point. No, seriously." (Laughter.) "That's the point." (Applause.)

This year's deficit came about as a result of insane spending and failed stimulus packages. President Obama recently proposed the novel approach of paying for it with tax increases (investments).