



Written by [Thomas R. Eddlem](#) on July 27, 2009

## Is Obama Suppressing Deficit Info to Push Healthcare?

The lead in the Associated Press story reads: "The White House is being forced to acknowledge the wide gap between its once-upbeat predictions about the economy and today's bleak landscape."

Actually, no, Obama isn't being forced to acknowledge fiscal reality.

Obama's Office of Management and Budget (OMB) has decided to delay the congressionally required economic review of his February budget projections until the middle of August, which is after Congress leaves town for its summer recess and after Obama's declared deadline for passage of a healthcare measure. Republicans have suggested that the delay is related to the likelihood that the updated numbers would show a deficit greater than the \$1.84 trillion figure the administration acknowledged in May. Obama listed economic assumptions that were rosier than any other public forecast in his February budget.

[Bloomberg.com](#) noted that "The White House also said the jobless rate would average 8.1 percent this year, though it climbed to 9.5 percent last month."

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Republicans lost no time pouncing upon Obama's lack of openness on budget figures. "Let's be honest about what this is: an attempt to hide a record-breaking deficit as Democratic leaders break arms to rush through a government takeover of health care," House Republican Leader John Boehner of Ohio [told Reuters on July 20](#). "By burying this budget update until after Congress leaves town next month, the administration is not willing to own up to the consequences of this dangerous fiscal agenda."

White House Press Secretary Robert Gibbs [responded at a July 20 press conference](#) observing that this delay in the mid-session review was typical during the first year of a presidential administration:

Look, as happens in virtually every transition year in government, mid-year reviews tend to get pushed back because of the transition of moving people in and out of their former and current jobs. For instance, the mid-session review under the most previous administration took place on August 22. President Clinton's first year in office, the review was released on September the 1st. So I think the notion that this is somehow motivated by anything other than a transition from one administration to the next is a little on the silly side.





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It's interesting to note that Gibbs had the two dates of previous administrations' first mid-session budget review releases memorized — for the first time he had been asked about the issue at a press conference. OMB Communications Director Kenneth Baer made [an almost identical point the same day](#), which is an indication that the talking-points memos on the issue had gone out through the White House.

Meanwhile, Gibbs is preparing the press and the public for a budgetary shocker: "I think it's — we've seen the economy, based on everybody's assumptions at the beginning of the year, deteriorate — particularly that last quarter of last year and the first quarter of this year — deteriorate at a rate that I think alarmed a number of people," Gibbs [said at a press conference on July 21](#). "I think it's likely that our budget challenges have become greater, not lesser."

Taxpayers are indeed getting some bad news on the deficit front, if the June *Monthly Budget Review* of the Congressional Budget Office (CBO) is to be believed. The report [found](#): "Receipts in the first three quarters of this fiscal year were 18 percent lower than in the same period last year. Receipts from corporate income taxes have declined sharply, falling by \$133 billion (or 56 percent)... Declining receipts from individual income and payroll taxes account for almost 60 percent of the overall decrease in receipts. Those collections are down by almost \$200 billion." Meanwhile, federal spending increased by more than 20 percent over 2008, including a more than 155 percent increase in unemployment benefit payments. Though tax collections have decreased by 18 percent this year so far, the [Obama budget](#) only planned on a 14 percent decrease.

With the CBO bringing the budgetary bad news about Obama's budget as well as his healthcare plan (the CBO says the plan would increase Americans' healthcare costs, rather than cut costs by \$2,500 per family as he had pledged on the campaign trail), it's not surprising that Obama would call CBO Director Douglas W. Elmendorf for a visit to the White House. Politico.com and other on-line blogs have described Elmendorf's reporting as offering a series of death-blows to Obama's healthcare agenda. Though Elmendorf said on [his blog](#) that the unusual visit to the White House would not jeopardize his neutrality, Republican leaders viewed the visit as a naked attempt at pressuring the nonpartisan congressional budget agency. Senate Minority Leader Mitch McConnell of Kentucky [claimed at a press conference](#): "It strikes me as somewhat akin to the owner of the team asking the umpires to come up to the owner's box. I mean, if the CBO is to have credibility, they're the umpire. They're not players in this game."

The real issue before the American public is openness, however. Healthcare is an expensive process, even if Obama can reconcile his contradictory promises of cutting the average American's healthcare bill by \$2,500 per family and adding 47 million uninsured to the government healthcare rolls. Updated budgetary information is essential to a balanced debate on the subject, and Obama disappoints those interested in fairness by suppressing the data until after healthcare is decided.

Hiding relevant data from Congress and the public is part of a pattern in Washington. Recently, Florida Democrat Alan Grayson [asked Federal Reserve Chairman Ben Bernanke about who got the \\$500 billion that the Fed had lent to foreign central banks](#). Bernanke replied that he didn't know where it went. Grayson was apoplectic that Bernanke hadn't tracked half a trillion dollars his bank had lent out, as he indeed should have been.

If Obama were truly interested in the openness and transparency he had campaigned for when running for president, then he would now be openly calling for [Rep. Ron Paul's "Audit the Fed bill \(H.R. 1207/ S. 604\)](#). Instead, what Americans are getting from the Obama administration is more secrecy rather than



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the promised openness.

As the *Las Vegas Review-Journal* recently [editorialized](#) on a variety of openness subjects: “If he’s so proud of what he’s doing, why the secrecy?”



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