

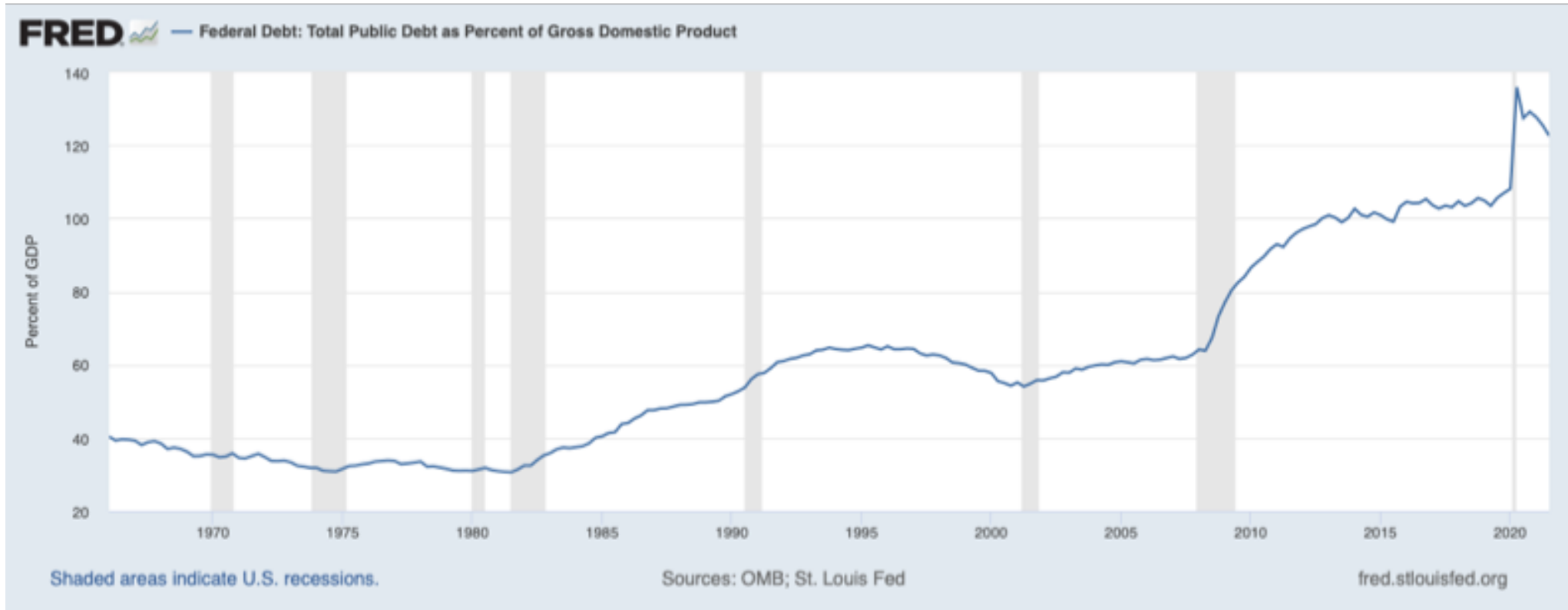
INFLATIONARY PRESSURES

Mick Mulvaney

Dec. 7, 2021

University of South Carolina

Debt - GDP



“As news of the possible reappointment of Federal Reserve Chair Jerome Powell circulates, we urge President Biden to re-imagine a Federal Reserve focused on eliminating climate risk and advancing racial and economic justice.”

— Rep. Alexandria Ocasio-Cortez
(D-NY)

Federal Reserve Chair Jerome Powell speaks.

AOC, Tlaib, Pressley call on Biden to dump Powell as Fed chair

They said they want to see someone at the helm who is more aggressive on financial regulation and climate change.



The FAIT Accompli

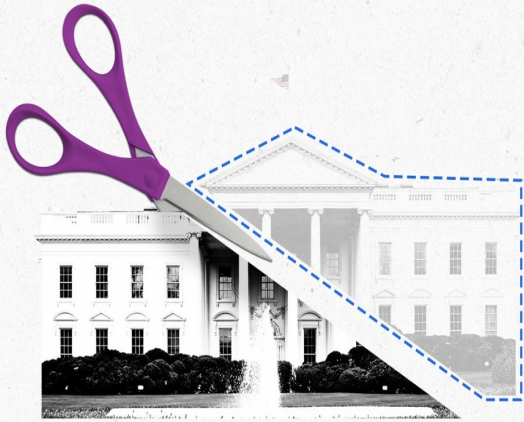
- “The Federal Reserve now intends to implement a strategy called flexible average inflation targeting (FAIT). Under this new strategy, the Federal Reserve will seek inflation that *averages* 2% over a time frame that is not formally defined.”

— Federal Reserve Bank of St. Louis

Everybody loves spending...

- “Birmingham is currently one of the largest metropolitan areas in the country without a complete beltline around it. Completing the Northern Beltline will benefit the entire region and enhance economic development and employment opportunities. ... Completion of Birmingham's Northern Beltline has been a priority of mine since I was elected to Congress, and new funding for the project has now passed.”

— Gary Palmer (R-AL)



White House faces grueling choices over cuts to Biden bill

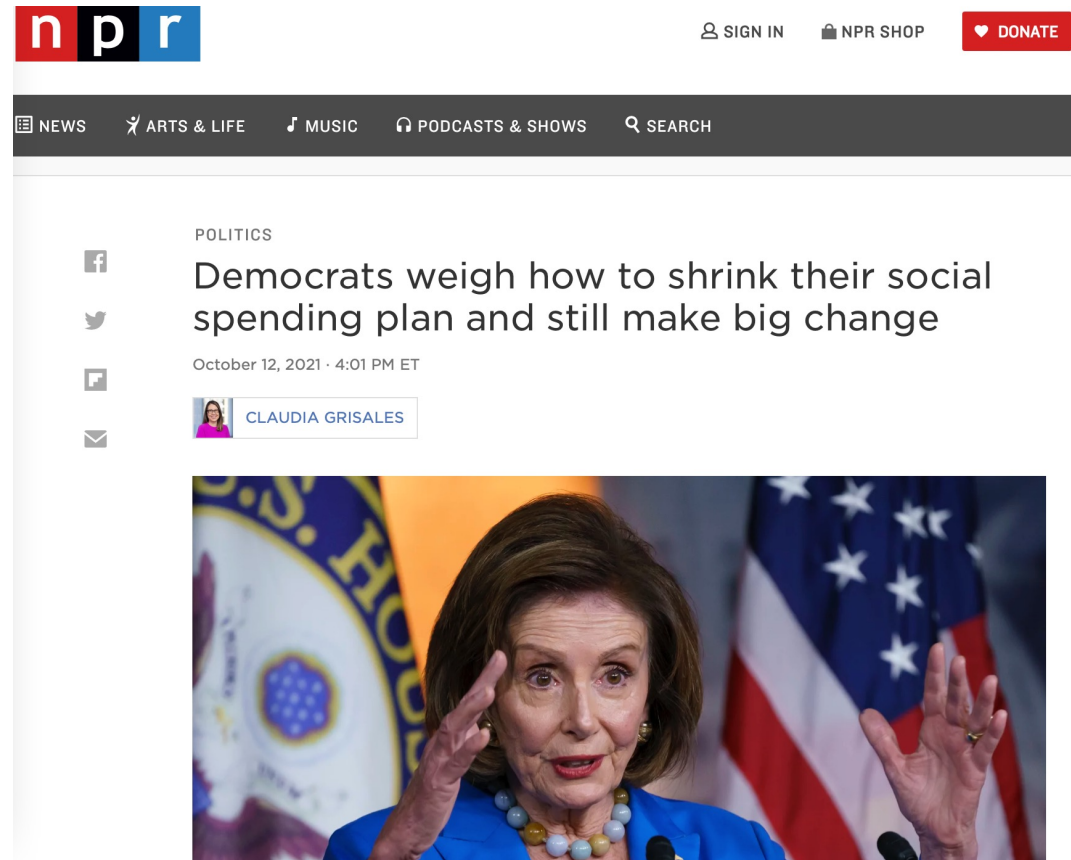
Centrist demands pit climate change
vs. homelessness vs. child poverty

(Washington Post illustration: iStock)

Real Cuts?

- “The president and his team have to make some very tough decisions here. There will have to be **some real serious cuts** to key priorities,” said Jim Manley, who served as an aide to former Senate majority leader Harry M. Reid (D-Nev.). **“The cuts required are going to be really ugly and really painful.”**

“As moderate Democrats pressure their party to scale back their partisan \$3.5 trillion social spending package, House Speaker Nancy Pelosi, D-Calif., said Tuesday that the way forward could involve shortening the shelf life of several major programs in the plan to bring down the overall price tag.”



The image is a screenshot of an NPR news article. At the top left is the NPR logo (n p r). To the right are links for 'SIGN IN', 'NPR SHOP', and a red 'DONATE' button. Below this is a dark navigation bar with 'NEWS', 'ARTS & LIFE', 'MUSIC', 'PODCASTS & SHOWS', and 'SEARCH'. The article is in the 'POLITICS' section. The title is 'Democrats weigh how to shrink their social spending plan and still make big change'. The date is 'October 12, 2021 · 4:01 PM ET'. The author is 'CLAUDIA GRISALES'. Below the text is a photograph of Nancy Pelosi speaking at a podium, with an American flag and a House of Representatives flag in the background.

The screenshot shows the CNBC SQUAWK BOX interface. At the top, the CNBC logo is on the left, and navigation links for MARKETS, BUSINESS, INVESTING, TECH, POLITICS, CNBC TV, WATCHLIST, and CRAMER are on the right. Below the navigation is a 'FAIR VALUE' table with columns for 'FUTURE CHG.', 'FAIR VAL.', and 'IMPLIED OPEN'. The table lists data for S&P 500, DOW JONES, and NASDAQ. To the right of the table are three video thumbnails. At the bottom, a blue banner reads '\$1.9T RELIEF BILL PASSES LONG-TERM ECONOMIC IMPACT' with the SQUAWK BOX logo on the left and the CNBC logo on the right.

	FUTURE CHG.	FAIR VAL.	IMPLIED OPEN
S&P 500	+27.75	+0.31	+27.44
DOW JONES	+105.00	+1.02	+103.98
NASDAQ	+246.75	-0.18	+246.93

\$1.9T RELIEF BILL PASSES
LONG-TERM ECONOMIC IMPACT

SQUAWK BOX

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Mick Mulvaney and Austan Goolsbee debate the potential impact of Biden's Covid bill

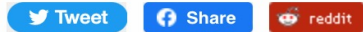
“The FED chair isn’t afraid (of inflation) ... (the impact of the bill) is very similar to what happened when the Trump Administration cut taxes by \$2 trillion when the unemployment rate was only 4.1% and that did not lead to inflation ... as an insurance policy I just think you want to run the economy hot. ...”

— Austan Goolsbee

Treasury Secretary Yellen Claims Biden's \$1.75 Trillion Spending Plan Will 'Actually Reduce Annual Deficits'

By Rudy Takala | Dec 1st, 2021, 2:00 pm

254 comments



“These investments we expect will lead to a GDP increase over the long-term without increasing the national debt or deficit by a dollar,” Yellen claimed.

*“My Build Back Better Agenda
costs zero dollars.”*

— President Joe Biden