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Kalousek is right, but also wrong



Budget deficits, even those of mind-boggling proportions, will be the norm as long as the post-Bretton Woods dollar-based global financial system of make-believe money remains above water. Ex-Finance Min. Miroslav Kalousek of TOP 09 and Senate Pres. Jaroslav Kubera of ODS can warn about how irresponsible it is to plan a 2019 Czech budget deficit of Kč 40bn (3% of revenue) during a period of robust economic growth, and they are right according to the explanation in Samuelson's textbook, but in real life a moderate Czech deficit is ultimately irrelevant. The Czech government can easily borrow the shortfall, including the incremental cost of financing the accumulated debt. Kalousek and Kubera should be much more concerned about the [\\$984bn deficit \(29% of revenue\)](#) that Donald Trump is planning for 2019. It makes little difference if the CR's glider comes in for a soft landing (as Jiří Rusnok says it is), if the U.S.'s jumbo jet crashes to the ground like a ton of bricks.

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