



## Home Depot Founder Hammers Biden Over Inflation: 'Worse Than Jimmy Carter'

By Abby Liebing  
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Americans are getting very upset with the Biden administration over the continuing inflation crisis.

The Bureau of Labor Statistics announced Tuesday that the consumer price index, which measures what consumers pay for products and services, was up 8.5 percent from March 2021 to last month — the biggest increase since December 1981.

On Wednesday, the BLS announced the producer price index, which measures the prices paid by wholesalers, had jumped 11.2 percent year over year in March — the largest increase since the 12-month data measure was introduced in November 2010.

Since this is the worst inflation in more than 40 years, many are starting to draw comparisons between President Joe Biden's economy and that of another Democrat — former President Jimmy Carter, who presided over an era of “stagflation” with the U.S. in the dire economic straits of high inflation and low growth.

Home Depot co-founder Ken Langone, now 86, declared Tuesday that Biden is even “worse than Jimmy Carter,” according to Fox News.

As an octogenarian, Langone remembers well the years of economic woe during the Carter administration and is deeply concerned about the current crisis.

“We’ve got to get rates well above the inflation rate if you want to snap inflation, just like [then-Federal Reserve Chairman] Paul Volcker did in 1980 and ’81. ... This was not transitory, this was a real serious case of inflation. We lost a whole year on addressing the issue,” he said on “Your World with Neil Cavuto.”

“Only because, frankly, we have leadership today in America that isn’t willing to admit when they’re wrong. They made a terrible blunder here, and now the price has got to be paid,” Langone said.

By the numbers, inflation was significantly worse under Carter. In 1979, the inflation rate was 11.3 percent, and in 1980, it was 13.5 percent, according to the Federal Reserve Bank of Minneapolis.

But the current trend of inflation, which has been rising consistently and significantly over the past six months, is concerning.

The Federal Reserve’s average target for inflation is around 2 percent, but the past six months have seen inflation above 6 percent, The Wall Street Journal reported.

But inflation is not just an abstract economic concept. Rising prices for necessities such as food and energy affect every individual American.

The BLS reported that the food index rose 1.0 percent and food at home increased 1.5 percent.

These numbers are very close to the rising food costs during the Carter administration.

“Food costs jumped 1.7 percent in both September and October. Food price increases show up quickly on supermarket shelves,” The Washington Post reported in 1978.

Meanwhile, the gasoline index shot up 18.3 percent.

The national average gas price per gallon was \$4.08 on Wednesday, AAA reported. A year ago, it was \$2.86.

The price of oil has stayed high as Brent crude oil (the European benchmark) and West Texas Intermediate (the North American benchmark) are both above \$100 per barrel, according to OilPrice.com.

Langone said the current energy situation is reminiscent of the oil crisis of the Carter era.

In 1979, when Iran’s government collapsed and the country became an Islamic republic, putting a hitch in the global oil market and supply, the U.S. spiraled into an oil/energy crisis.

Oil prices rose rapidly in mid-1979 and more than doubled between April 1979 and April 1980, the Federal Reserve History accounted.

Looking at today's high fuel prices, Langone blamed Biden administration policies such as its cancellation of the Keystone XL Pipeline.

"The other thing is we've exacerbated the problem. For example, the energy issue in America, we didn't have to be deficient like we are," he said. "Hell, by now, that pipeline would have been almost complete.

"And Biden's now saying, he's now blaming the oil companies. This is a disgrace. The oil companies are reacting to supply and demand."

With the damage done to the economy, Langone predicted a recession is coming, which again would parallel the Carter years.

"The deepest and longest-lasting recession the United States has experienced since then began in 1980, when Jimmy Carter was president (the gross domestic product dropped 9.6 percent in the second quarter of that year) and did not end until fourth-quarter 1982, almost two years into the Reagan presidency," Cato Institute fellow Richard W. Rahn wrote in 2009.

The recession of the Carter era was so bad that its effects were felt for many years.

"There were positive quarters during this almost three-year period, resulting in what is known as a double-dip recession, but GDP did not return to the 1979 level until well into 2003," Rahn wrote. "Unemployment peaked at 10.6 percent in the fall of 1982."

Something like that is what Langone is predicting now.

"The steps we're taking right now will not help," he said. "And who's going to get hurt? The little guy, the poor guy that's living from paycheck to paycheck. ...

"I'm not smart enough to know exactly when. My bet is that the brunt of the recession will hit us nine months, eight months ... 10 months from now."