

August 30, 2012



## **Is it possible to get our debt under control or is it already too late?**

If you notice the Debt Clock running on our right sidebar you know that the national debt now exceeds \$16 TRILLION dollars and climbing. You probably have also read accounts of how much of that \$16 Trillion each household or each person owes and even a simple reflection says: "No way it can ever be paid off." But actually, that's not necessarily true. And paying off the entire amount is not necessarily even a good idea.

The real truth is that the debt is way too high right now and as Paul Ryan explains so clearly, at the rate we're spending or projected to spend it is unsustainable. In other words, we're headed for the cliff.

But chances are there will be a lot of discussion about the issue of deficit spending and the debt between now and November 6. You'll be flooded with numbers. But the *Cato Institute* recently published an article that was entitled: "It's simple to balance the budget with modest spending restraint." Read this and you will be amazed.

And as you read the numbers remember this: Getting our debt under control can best be achieved by getting our economy going again, and to do that all we really have to do is hold down *the growth* of government spending, leaving more money in the economy from which productivity can be increased, and letting the economic growth generate the revenue to reduce the deficit and even begin to reduce the debt. How much the debt needs to be reduced is, again, a function of the robustness of the economy.

Remember, the trick is to hold down the increase in government spending. As you will see, if we can achieve a modest 2.5 percent annual growth rate in government spending and the economy picks up, the deficit will shrink and the debt will become manageable.

Here're the numbers:

<http://www.beaufortobserver.net/publicationreturnframe.lasso?-token.address=http://www.cato-at-liberty.org/its-simple-to-balance-the-budget-with-modest-spending-restraint-2/>