



## Draining the Fiscal Swamp: Both Political Parties Deserve an F

Ralph R. Reiland

March 7, 2017

“Each U.S. taxpayer now has a federal-debt liability of \$1.1 million, and rising,” reported Merrill Matthews, a resident scholar at the Institute for Policy Innovation, a research-based public policy organization.

“The public tends to focus on the total national debt, which just passed the \$17 trillion mark — up from \$10.6 trillion when President Obama took office,” explained Matthews. “But that figure pales in comparison to the federal government’s long-term unfunded liabilities — money the government is obligated to pay over and above the revenues it is estimated to receive. According to the U.S. Debt Clock, total long-term unfunded liabilities are at \$126 trillion, a \$1.1 million liability for each U.S. taxpayer.”

In addition to his work with the Institute for Policy Innovation, Matthews, Ph.D. in Humanities, is a *Forbes* magazine columnist and a past president of the Health Economics Roundtable for the National Association for Business Economics, the largest trade association of business economists.

The above-quoted debt numbers from Matthews are from his reporting in October 2013, just nine months into President Obama’s second term. The national debt that had “just passed the \$17 trillion mark” at that time further expanded to \$19.9 trillion by January 19, 2017 at the end of Obama’s second term, according to official figures published by the U.S. Department of the Treasury Bureau of the Fiscal Service, a near-doubling of the total federal debt of \$10.6 trillion when President Obama took office.

“We’ve borrowed more money under Barack Obama than we borrowed from George Washington through George W. Bush,” asserted Stephen Moore, economic advisor to Donald Trump, during a Mid-October debate in the concluding weeks of the Clinton/Trump presidential race.

Unfortunately, the failure in getting control of the rising tide of federal red ink is a case of cross-party budgetary irresponsibility and bipartisan financial malfeasance.

The U.S. Department of the Treasury Bureau of the Fiscal Service reports that the national debt increased 87 percent during Obama's eight years in office.

Similarly, the national debt increased 86.3 percent during George W. Bush's eight years in office.

It is clear that both political parties deserve a failing grade for their financial performance over the past 16 years, with the federal debt nearly doubling during the eight years that the party allegedly in favor of fiscal soundness, individual responsibility, free markets, and limited government controlled the White House, followed by the debt again nearly doubling during Obama's eight years when the supposed whizzes from the Ivy League establishment moved into the West Wing as senior advisors in intensifying the centralization of social and economic planning and expanding the command powers of the state.

Presidential candidate Hillary Clinton's plan for economic recovery and reducing persistent federal deficits and the resulting growth in the national debt was the enactment of a "fairness economy" via bigger government, expanded mandates, increased regulation, higher federal spending and more than \$1 trillion in new taxes — a proposal likely to produce for lower economic growth, lower income expansion, higher rates of joblessness, more red ink and less productivity as resources and income get shifted from the private sector and those who earned it to an already bloated, corrupted, and wasteful federal behemoth.

On the other side, as reported by Michael Tanner, senior fellow at the Cato Institute heading research on domestic policies, Donald Trump called for massive new government borrowing "while interest rates are low," in addition to arguing that our \$20 trillion debt wasn't a problem because "you never have to default because you print the money," or, alternatively, Trump asserted that more borrowing was fine since "if the economy crashed, you could make a deal" to pay bondholders less than full value on the debt owed to them.