

THE PRESS-ENTERPRISE

America awash in debt

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A couple of recent reports illustrate just how dire the United States federal government's debt situation really is.

The federal government took in a record \$2.9 trillion in tax revenues for the first 11 months of the fiscal year (through the end of August), up about 7.4 percent from the same period the year before. Using U.S. Bureau of Labor Statistics data, CNS News calculated that this translates to approximately \$19,346 for every person in the country who had a full-time or part-time job. Yet, even these record revenues could not satisfy the government's insatiable spending, which totaled \$3.4 trillion during the period, resulting in a deficit of \$530 billion.

And that is for less than one year. The total debt held by the public has surpassed \$13 trillion, which excludes the more than \$5 trillion in intragovernmental debt, such as Treasury securities held in the Social Security Trust Fund. As a recent Cato Institute white paper notes, debt held by the public is approximately \$107,000 for every household in the nation.

Public attitudes toward debt have deteriorated considerably since the earlier days of our nation, the Cato paper observed, when the public and political leaders "associated government debt with corruption and the erosion of liberty." President Andrew Jackson, for example, promised in his first inaugural address "the extinguishment of the national debt, the unnecessary duration of which is incompatible with real independence." And he delivered on his promise, "making the period from 1835 to 1837 the only time in our history that the federal government has been debt-free."

National debt really exploded starting in the 1930s, and political leaders have not had the courage to take away the punch bowl ever since. As the Cato report concludes, government debt and taxes reduce economic growth, impose an unfair burden on future generations, crowd out private savings and investment and distort the economy by funding subsidy and benefit programs that reduce incentives to work and encourage the overproduction of goods and services in politically connected industries.

If we do not re-instill in our political leaders the ethics of fiscal discipline and debt freedom held by Thomas Jefferson and Andrew Jackson, we will lose all semblance of the strong, independent nation we once were and find ourselves like Greece, in steep economic decline begging our creditors hat-in-hand.