



## **Election 2020 challenge: Getting candidates to confront America's debt problem**

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Consider Venezuela, a place where, according to recent news reports, the currency has become so worthless that people across the border in Colombia are using it to make wallets and purses.

You can get a coin purse made with 100 bolivares for a reasonable price, a Fox News report said. If the artisan needs more materials, he just sends his brother back to Venezuela to stuff his pockets with more.

The nation's inflation rate sounds like an altitude measurement for the international space station. Al Jazeera recently published estimates it will measure 200,000% for 2019, with the economy contracting by 35%.

Americans may have a hard time imagining life under such conditions, where food and cigarettes become legal tender for bartering. They bring to mind old black-and-white films of Germans carrying wheelbarrows full of money to buy bread after WWI.

But if they were smart, Americans would be alarmed by some of the writing on their own fiscal wall and, as the election year of 2020 dawns, begin demanding real answers to questions about debt and overspending in this country.

Venezuela should stand as a lesson.

The latest Human Freedom Index, published by the Libertarian Cato Institute, has just come out. The United States, despite its self-proclaimed title as the home of the free, was ranked 15th. The good news, however, is that this is an improvement. Four years ago, it was ranked 20th.

The U.S. scores well on a number of factors in this index, especially when it comes to measuring the freedom of association, assembly and civil society, and the freedom of movement. It faces challenges when it comes to the size of government, which is trending large, and with the legal system and the protection of property rights.

None of these seems particularly alarming as long as the economy is booming. Prosperity makes up for a lot of ills, and the index rates the United States high in terms of sound money.

But take away prosperity and things could change quickly.

If you want a good treatise on freedom, look at the arguments that engaged the reconstruction Congress after the Civil War. The overriding theme to defining freedom, as opposed to slavery, was the right people had to enjoy the fruits of their own labor. That right, and freedom itself, becomes questionable when money is worthless.

Last month, Federal Reserve Chairman Jerome Powell said what should be obvious to anyone who examines spending in Washington: “The federal budget is on an unsustainable path, with high and rising debt.”

Just go to usdebtclock.org to get an up-to-the-minute accounting of the problem. The national debt is approaching \$23.2 trillion, which divides to \$187,288 for each taxpayer. Washington’s annual budget deficit is more than \$1 trillion.

This, Powell said, could make it hard for the nation’s leaders to weather a downturn. The Fed cut interest rates three times in 2019, which leaves little room to go even lower should a recession begin.

I don’t want to mischaracterize Powell’s tone, which news reports noted was generally optimistic. “There’s no reason this expansion can’t continue,” he concluded.

That’s good news for the short term, but it doesn’t mean we should ignore the long term. The dollar remains the world’s reserve currency, which gives the U.S. a little protection, in terms of public trust, against becoming another Venezuela. But there are no guarantees if a bad economy hampers the nation’s ability to pay its debts, leading to inflation.

The foreword to the Human Freedom Index notes that in 1970, Venezuela ranked 10th in the world in terms of economic freedom, and its democracy protected other freedoms, as well.

No matter how people may have come to take them for granted over time, prosperity and freedom don’t come with long-term guarantees, any more than a beautiful garden will continue as such without care and maintenance.

Jose Nino, himself a Venezuelan whose parents brought him to the United States after seeing what was about to happen, wrote recently for theadvocates.org that the problem is “both (political) parties don’t care about the issue any more.”

“Big spending ... (is) what’s fashionable among political elites.”

Getting candidates to candidly address the nation’s looming debt crisis may be the biggest challenge facing Americans in 2020.