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More coronavirus aid would push America deeper into debt

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The economic plunge this year was dramatic, and so was the legislative response that pushed up federal debt by $2.6 trillion over a decade.

That is enough federal aid. Every dollar of borrowing is a cost imposed on future taxpayers.

By next year, federal debt held by the public will hit $22 trillion and match the record high in World War II as a share of gross domestic product.

With a huge debt and rising interest rates in coming years, a growing share of the federal budget won't go to programs but to domestic and foreign creditors.

More debt means lower living standards for young people down the road and risks hitting them with a major financial crisis. Americans in the future will have their own health care, military and other crises to deal with, so imposing the costs of our crises on them as well is unfair.

GDP fell 31% at an annualized rate in the second quarter of 2020 but rebounded 33% in the third quarter. The economy bounced back even as the government part of GDP dipped, indicating impressive private-sector strength.

The unemployment rate peaked at 14.7% in April but plunged to 6.9% by October. The economy is growing even as parts of the stimulus — such as the $600-per-week extra unemployment benefits — have expired.

Some policymakers seek further aid for the states, but state and local tax revenues did not fall as much as originally feared. Nationwide, these revenues fell 4.7% in the second quarter but climbed 3.3%t in the third quarter.

COVID-19 cases are spiking again, but it won't cause as much economic harm as earlier spikes because states are imposing narrower restrictions and businesses have learned to operate with safety protocols.

Recent good news on vaccines shows light at the end of the tunnel. It would be tragic to pull out of the health crisis only to fall into a financial crisis caused by rising government debt.

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