



FREEDOM VIEW: America is really in \$51 trillion hole

THE POINT — Growing debt burden will mean a lower future standard of living for Americans.

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It's staggering. The federal debt, currently calculated at \$15.2 trillion, actually is \$51 trillion. The more familiar debt figure of \$15.2 trillion debt is bad enough. It's increasing at about \$1.3 trillion a year and comes from deficit spending the past 10 years on the federal budget, whose fiscal year begins each Oct. 1. And the current debt limit soon will again need to be raised so that the borrowing can continue.

But that number doesn't include future payments for Social Security, Medicare, federal employees' retirement and the military veterans' retirement and medical care. Add in estimates for those payments, and the actual debt is \$51 trillion, Bruce Bartlett wrote this month in the New York Times. He's a former senior economics adviser to presidents Ronald Reagan and George H.W. Bush.

Mr. Bartlett obtained an obscure federal document called the Financial Report of the United States Government. He summarized its contents, writing that "the government also owed \$5.8 trillion to federal employees and veterans. Social Security's unfunded liability — promised benefits beyond expected Social Security revenue — was \$9.2 trillion during the next 75 years, or about 1 percent of the gross domestic product. Medicare's unfunded liability was \$24.6 trillion, or 3 percent of GDP.

"Altogether, the Treasury reckons the government's total indebtedness at \$51.3 trillion," he wrote.

How is the government dealing with the debt? Mr. Bartlett said it doesn't have to be paid off now. But that means the debt is being pushed into the future to be paid for by Americans' children and grandchildren. Kids born in 2002 or 2012 can't yet vote. So they're stuck with the tab.

"Bruce is right. We don't have to pay it all off now," Chris Edwards told us; he's director of tax policy studies at the libertarian Cato Institute. "But that money is a cost burden that is being pushed onto young people in the future. They will have to pay for it, either in reduced benefits or increased taxes. It's consumption or benefits that people are getting today, with the costs being pushed onto young people. It's a measure of injustice with current federal spending."

Most people would like to leave things a little better for their kids. That's generally been the case in American history. Now it's being reversed. "We're going to have a lower standard of living in the future," Mr. Edwards warned. "The longer Congress postpones reform, the lower standard of living we'll have in the future."

With Congress in recent weeks unable to agree on even a long-term extension of a modest payroll-tax cut, and a presidential campaign in full swing, not much is going to happen this year. Yet preventing the looting of America's kids should be the first priority of the president and Congress.