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## Say What? on the Debt

By [William L. Anderson](#)|Mar 28, 2010, 11:14 PM|[Author's Website](#)

I have read bizarre stuff from Paul Krugman before — heck, here is a guy who believes prosperity is created by the government printing press — but I must admit [this latest blog post](#) of his comes close to being the most bizarre of all. First, and most important, he declares that the gargantuan public debt really is not much of a big deal.

Second, he wants us to take [the word of the Obama administration](#) on the budget numbers up to 2020. Yes, now that the profligate politicians he likes are in power, we are supposed to believe whatever the administration tells us. Right.

However, it gets better. After mentioning that other “independent sources are moderately more pessimistic” (they believe the federal deficit will be five or six percent of GDP instead of the Obama prediction of 3-4 percent), he writes this:

That’s not, in economic terms, a huge number. We could raise taxes that much and still be one of the lowest-tax nations in the advanced world. Or we could save a significant share of that total by not being totally prepared for the day when Soviet tanks sweep across the North German plain.

And it gets better:

The only reason to doubt our ability to get things under control a decade from now is politics: if we're still deadlocked, if sane Republicans are cowed by the Tea Party, then sure, we can have a fiscal crisis. And longer term, we'll be in a mess unless we get health care costs under control — which is exactly what we're trying to do, in the face of cries about death panels.

Yeah, it is those dastardly tea-partiers that are going to cause a fiscal crisis. Why? Well, they oppose “healthcare reform,” and everyone knows that a huge combination of new taxes, draconian regulations, mandates and subsidies are going to vastly cut medical costs and help revive the economy.

I will agree that the “War on Terror” has eaten a portion of our nation’s production that is equal or greater than any set of costs associated with medical care, and there seems to be no end in sight. What is just as bizarre to me as Krugman’s assertion that the Obama numbers are honest is the campaign of the Heritage Foundation, “[Four Percent for Freedom](#),” that claims we are not adventurous enough when it comes to military spending and wars abroad.

You see, it never has occurred to the people at Heritage that the financial ruin that has come about in large part because of the “War on Terror” and the vaunted “[Ownership Society](#)” initiative of the Bush administration (pushed by Heritage and the Cato Institute) which deteriorated into “let’s put everyone into home ownership whether or not they can afford it.” Because the Bush administration was profligate, it created a crisis that helped lead to the current political situation, and ultimately to, yes, the real ascension of Krugman to his current “superstar” status. By creating a fiscal crisis, the “conservatives” gave credibility to Krugman, who became well-known in large part because of his public criticism of the Bush administration.

So, we have few voices for fiscal sanity, anymore. On the one hand, Krugman claims that we are supposed to believe Obama’s budget numbers as though they came from God, and the “conservatives” want even more war and military spending abroad. Neither side can come to grips with the fact that this government is broke, broke, broke.

Don’t kid yourselves. We are on the same path as was Argentina in the mid-20th Century, when a rich and proud nation morphed into poverty and political chaos. Those “advanced” countries of Europe Krugman so praises are headed in the same direction, brought down by the cold hard reality that in order to have a high standard of living, a country must produce something other than paper money. It is unfortunate that the USA is being destroyed by a tag team of the Left and the Right, but here it is.

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1.  *Jordan* says:  
[March 29, 2010 at 1:08 am](#)

I think you’re being a little unfair to Cato. The Ownership Society was sort of a buzz phrase that they used to push for reducing the size of government, you know, the *raison d’etre* of Cato. As they defined it, ‘Individuals are empowered by freeing them from dependence on government handouts and making them owners instead, in control of their own lives and destinies. In the ownership society, patients control their own health care, parents control their own children’s education, and workers control their retirement savings.’ Nothing bad about that, the problem was that Bush didn’t actually do any of that.

But I fully agree that Heritage is a joke of a think tank. It’s really nothing more than a Republican hangout. I am incredulous that they have criticized ObamaCare when they pushed nearly the exact same thing in Massachusetts with RomneyCare. They define political hacks.

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