



## Worrying rise in US public debt

July 31, 2023

Important point:

- Increase in US Public Debt: According to the United States Treasury, the country's public debt reached a record number.
- Benefits reform is imperative: Social Security, Medicare, Medicaid and other need-based programs account for half the federal budget.
- Loan commission proposal: Boccia and Lett urged mps to set up a loan commission to address eligibility reform.

The United States fiscal data showed that the country's total public debt reached 32.659 trillion on July 27, an increase of 392.75 billion from the previous month.

The increase brings America's quarterly interest payments on its debt to nearly \$1 trillion, the Federal Reserve Bank of St. Louis said.

According to the Cato Institute, the rising debt on the country is now an issue of national security.

*"Delaying responsible tax reform in the face of a growing federal debt invites economic and national decline. High and growing us federal debt has stifled private investment, reduced revenues and raised the risk of a sudden financial crisis.romina boccia and dominic lett wrote in a blog post.*

Benefits reform is imperative, the authors said, given that Social Security, Medicare, Medicaid and other need-based programs currently account for half of the federal budget. At the same time, defense expenditure constitutes one-fifth of the budget, he added.

*"National defense is a central responsibility of the federal government. To maximize the security and prosperity of americans, prudence must guide strategy and the budget. A severe fiscal crisis would erode the economic foundation of america's strength, limiting america's ability to defend its vital interests at home and abroad." Explained boscia and liet.*

The authors urge US lawmakers to establish a loan commission to address eligibility reform, proposing that the commission's recommendations automatically become law with presidential approval.

*“A well-designed commission would be composed of a diverse group of experts, guided by clear objectives established by Congress, and whose recommendations would self-execute after presidential approval, benefiting from so-called fast-track authority,”* He has written

*“unstable fiscal policy puts america’s economic and military might at risk. By reforming benefit programs and cutting spending, lawmakers can prevent high debt from undermining america’s prosperity and security. A well-designed credit commission can help congress do just that.”*  
*Boscia and lett argued.*