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End of Bush tax cuts would slow growth

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Here's the major matter for voters to consider:

Federal Reserve Chairman Ben Bernanke testified recently that: "The ratio of federal debt held by the public to nominal GDP is likely to move up from about 40 percent before the onset of the financial crisis to about 70 percent in 2011." That puts the debt-to-GDP ratio at its highest level since the early 1950s. The CBO (Congressional Budget Office) projects that the debt-to-GDP ratio will soar to 82 percent by 2019. It took the United States of America 233 years (1776-2009) to amass a national debt of $11 trillion. Using the Obama administration's own projections, the nonpartisan CBO estimates that including the record 2009 budget deficit of $1.85 trillion and huge annual deficits over 2009-2019 will result in an additional $11.1 trillion in national debt, on top of the current $11.4 trillion. Our national debt will likely double over the next 10 years.

Major economists term this debt "unsustainable." Democrats are finally so fearful of the growing debt that they are reluctant to extend the current tax cuts. However, NOT extending the tax cuts will mean major tax increases for individuals and businesses. James Bullard, the president of the St. Louis Federal Reserve Bank, told CNBC on Friday morning: "Increasing taxes while you're trying to get the economy to recover is not a good plan."

On Thursday, respected Deutsche Bank economics expert Peter Hooper warned that failure to extend the tax breaks could essentially kill the economic recovery in 2011.

Chris Edwards, CATO Institute economist and director of tax policy studies, favors long-term adoption of the tax cuts measures. "Especially now with 9.5 percent unemployment, you need very strong economic growth to start getting that unemployment rate down ... [otherwise] the unemployment rate will stay stuck at a high level."

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