

BY JOHN F. MCMANUS

Deficit Grows **Ever Larger**

On July 28, White House Budget Director Jim Nussle announced that the expected deficit for Fiscal Year 2009 (it begins October 1, 2008) would be a whopping \$482 billion. A record for red ink, the figure shatters the previous deficit of \$413 billion set in 2004.

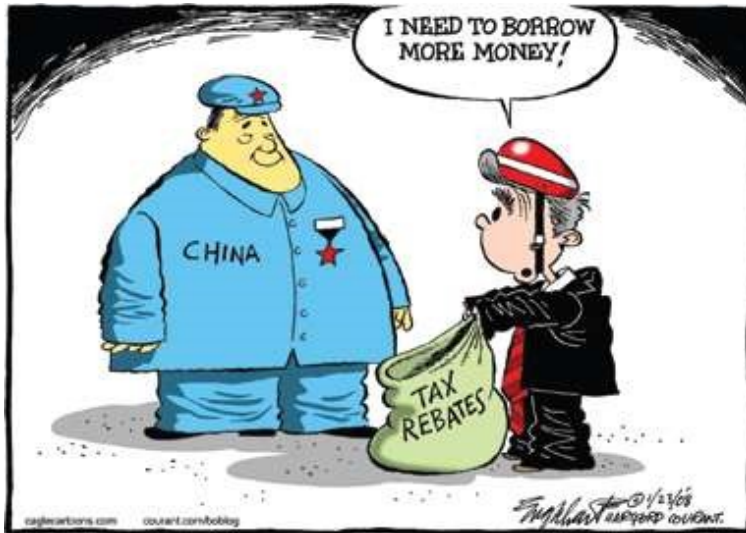
But as has become customary in Washington, publishing debt figures does not mean that the whole story has been told. The costs of the military operations in Iraq and Afghanistan are not part of the projected \$482 billion shortfall. Also not considered among the government's plans for next year are such items as another costly stimulus package, the enormous drain expected when Treasury Secretary Henry Paulson gets around to bailing out Freddie Mac and Fannie Mae, and near-certain declines in tax revenue resulting from the ongoing economic slowdown.

Nor does the deficit include the money the government siphons out of the Social Security and Medicare trust funds to pay for *other* government programs, leaving the so-called trust funds filled with IOUs to cover future obligations.

Stimulus checks totaling \$150 billion have already been sent to the American people. The money for this program came from one of two sources: printing or borrowing. Printing it is inflation that impacts even more drastically the already sinking value of the dollar. Borrowing it — largely from China — puts our nation in two nooses: 1) the need to pay interest and 2) giving China added influence over decision making in our nation. China, to whom we are already heavily indebted, let us recall, has never abandoned its published determination to “defeat the United States.”

Budget Director Nussle, a former Iowa congressman, who originally showed promise that he would be a fiscal conservative, claimed that the projected deficit is “manageable.” He insisted that if the figure were placed alongside the country's economic output, it would not look so bad. But his office also predicted that annual growth in the nation's gross domestic product would shrink to 1.6 percent, down from the 2.7 percent figure announced just last February. In other words, the recession that no one in the Bush administration wants to admit exists is deepening.

Senator Kent Conrad (D-N.D.) commented, “If we gave Olympic medals for fiscal irresponsibility, President Bush would take the gold, the silver and the bronze, because he's got the three highest deficits ever: 2009 would be the gold, 2004 the



silver, and 2008 the bronze.” Fellow Democrats delight in claiming that the final years of the Clinton administration produced surpluses, a false claim because the practice of seizing Social Security revenue deceitfully kept the bottom lines in those years in the black instead of in the red. However, it is true that the National Debt has grown faster during Bush's presidency than it did during Clinton's.

The admitted National Debt as of the first week of August totaled

\$9,589,448,295,381 (\$9.5 trillion). With the U.S. population at 304 million, this means that every citizen's share of this enormous debt equals \$31,495. No wonder a baby cries at birth! The National Debt, ever escalating, climbs at approximately \$1.88 billion per day.

All taxpayers are responsible for interest on the \$9.5 trillion debt. This annual cost reached \$430 billion in fiscal 2007, for interest alone! In other words, if we had no national debt, there would be either no or a very small annual deficit. Breaking down the debt further, it comes to \$1,400 for every man, woman, and child on Earth (not just taxpayers in America).

When considering the National Debt, however, unfunded obligations must be added to the admitted total. This swells the figure to somewhere between \$50 trillion and \$100 trillion. Paying it off will either be accomplished by severely impacting the American dream, or losing the independence of our nation and the freedom enjoyed by all Americans. The goose that laid the golden egg is threatened as never before.

Ah, but our leaders still give away tens of billions each year in a variety of foreign aid programs. Such good fiscal management! They spend gobs of money for unconstitutional programs such as federal involvement in education, medicine, housing, energy, etc.

If the Constitution our leaders solemnly swear to abide by were fully enforced, the federal government would be 20 percent its size and 20 percent its cost. Retiring the National Debt could be accomplished and the future would look a great deal brighter. Sad to say, the economic mess we're in hasn't yet hit home to enough Americans to expect them to force change in Washington. But there's a lot of angst across the land as jobs have been lost, money becomes less valuable, costs continue to rise, and the future looks increasingly grim. We truly hope that the public awakening needed to inject sanity to the way the nation is being run will come soon. ■