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WHY AREN'T POLITICIANS REDUCING THE NATIONAL DEBT?

By Steve Bakke  September 9, 2019



Politicians complain about our national debt but never do anything about it. “We need to cut expenditures” some say. “We need to raise taxes” say others. But trends continue and there’s no improvement.

When the government establishes mandatory measurements and disclosures for public companies, they require a total recap of an entity’s obligations. To omit a material amount is considered fraud. If we were to evaluate our country’s financial condition on that same basis, we’d gain a much different perspective. We’d have to include not only our “borrowed” debt, but also other contractual obligations.

If we add in unfunded obligations of Social security, Medicare, federal employees’ benefits, veterans’ benefits, and various other programs, the true total of our known future obligations grows from the \$23 trillion “national debt” to a much higher amount. Most estimates range from about \$125 trillion to more than \$200 trillion. So, our “national debt” only accounts for between 10% and 20% of the true total of our obligations.

Are our politicians becoming cynical? Perhaps some see the virtual impossibility of changing reality, and lip-service is all we get. Perhaps they’ve concluded nothing can be done, so why not jump on the deficit bandwagon.