

BANKRUPTING AMERICA

Budget And Spending Fact Sheet: What They're Saying Editorial Boards And Expert Opinions

Accounting for Accountability

Robert Pozen, Harvard Economist, In The *Boston Globe*: “This huge expansion of public debt ... is likely to hurt the practical situation of most American families and firms. ... once gross public debt exceeds 90 percent of GDP, the adverse effects on the economy come quickly into play. At the end of 2010, the public debt of the United States will be close to 100 percent of our GDP for this year. ... When the US public debt gets close to the US GDP, foreign investors will become concerned about America’s ability to keep its deficits under control, and will start to demand higher interest rates ... Higher US interest rates will hurt consumers with credit card debt, homeowners with adjustable rate mortgages and businesses with borrowing needs.” (Op-Ed, 2/23/10)

***The Washington Post*:** “If the United States, too, persistently lives beyond its means, the global bond market may someday take revenge -- with all the risks to political stability and national sovereignty that would entail. Congress and President Obama should put the country back on a fiscally sustainable path now rather than wait for a crisis to force them into it.” (Editorial, 2/12/10)

***Dallas Morning News*:** “The national debt stands at \$12.5 trillion. Left unchecked, it’s on track to reach 100 percent of gross domestic product by 2022. And by 2014, the cost of servicing interest on that debt will outstrip all annual domestic spending ... This is an unsustainable path.” (Editorial, 3/1/10)

***The Washington Post*:** “Unaddressed, trillion-dollar budget deficits will cripple the economy.” (Editorial, 1/26/10)

Robert Samuelson, *The Washington Post*: “A ‘budget crisis’ is not some minor accounting exercise. It’s a wrenching political, social and economic upheaval. Large deficits and rising debt ... spook investors, leading to higher interest rates on government loans. The higher rates expand the budget deficit and further unnerve investors. To reverse this calamitous cycle, the government has to cut spending deeply or raise taxes sharply. Lower spending and higher taxes in turn depress the economy and lead to higher unemployment. Not pretty.” (Op-Ed, 3/29/10)

✓ **Samuelson:** “Vast budget deficits reflect both parties’ unwillingness to make unpopular choices ...” (Op-Ed, 4/5/10)

Salim Mansur, *The Toronto Sun*: “The U.S. economy is faced with a rising tide of budget deficits and national debt with spending recklessly exceeding revenue. The figures are astronomical and make no sense to those Americans ...” (Op-Ed, 3/27/10)

***Buffalo News*:** “Americans are severely frustrated with Washington, but much of that is because of the federal budget deficit ...” (Editorial, 3/25/10)

***Columbus Dispatch*:** “This year’s projected budget deficit of \$1.5 trillion equals about 10.6 percent of GDP. ... Any budget fixes implemented now will hurt, but that’s nothing compared to the pain that awaits if the U.S. continues to blunder along the path to fiscal crisis.” (Editorial, 2/18/10)

New York Daily News: “The 2009 budget deficit was \$1.4 trillion, almost 10% of the Gross Domestic Product. And the nation’s long-term debts have hit \$7.6 trillion, more than half the GDP, and are set to soar even further. This is not only unsustainable, it’s suicidal.” (Editorial, 2/18/10)

San Francisco Chronicle: “There’s no more tired phrase than ‘blue-ribbon commission.’ ... Washington will get a toothless commission that will do its homework, publish the results and go home. The problem won’t go away until our elected leaders summon the political will to do the straightforward math required to balance a budget - add revenue, subtract spending.” (Editorial, 1/29/10)

Indianapolis Star: “[T]he United States still is projected to run up \$8.5 trillion in combined deficits this decade. ... The nation simply can’t stay on this path and expect to prosper in the years ahead. The effects of the staggering debt will significantly slow economic growth, force interest rates to rise and reduce job creation.” (Editorial, 2/3/10)

Grand Rapids [MI] Press: “Failing to acknowledge and address the country’s coming budget train wreck jeopardizes economic and military security and saddles future generations with today’s bad decisions. The United States can’t survive as a wholly owned subsidiary of China. Neither can it fight the continuing threat from Islamic extremism without a strong national defense and the funds to support it.” (Editorial, 2/18/10)

Anne Applebaum, The Washington Post: “I have seen America’s future, and it is Greece. ... [T]he ongoing Greek financial crisis is the kind of crisis the United States might face in a few years, if we continue to make the kinds of mistakes that the Greeks have made over the past decade. ... Our sheer size, our entrepreneurship and our relatively open business culture will keep us going for a long time. But the Greek crisis shows that the combination of debt and political deadlock can be deadly. The catharsis we feel as we watch it unfold -- that Aristotelian combination of pity and fear -- should shock us far more than it has.” (Op-Ed, 2/17/10)

David Reilly, Bloomberg: “[T]he U.S. is on an unsustainable course with deficits rising, the national debt soaring and Social Security and Medicare preparing to go bust.” (Op-Ed, 2/14/10)

Robert Samuelson, The Washington Post: “In all the recent reports, speeches and news conferences concerning the federal budget outlook ... hardly anyone has posed these crucial questions: What should the federal government do and why; and who should pay? We ought to go back to first principles of defining a desirable role for government and abandon the expedient of assuming that anyone receiving a federal benefit is morally entitled to it simply because it’s been received before.” (Op-Ed, 2/8/10)

David M. Shribman, Pittsburgh Post-Gazette: “No country is safe when it outspends its revenues at this rate. This kind of economic behavior courts danger, not only from creditors but also from the missed opportunities it creates -- the new programs and new defense initiatives the nation cannot undertake.” (Op-Ed, 2/7/10)

Buffalo News: “The budget deficit is a serious matter. ... It has consequences for inflation, interest rates and the kind of lives our grandchildren will live.” (Editorial, 2/3/10)

Indianapolis Star: “[T]he work of restoring fiscal sanity must start somewhere, and saving \$250 billion by halting the growth in discretionary spending is an obvious place to begin.” (Editorial, 1/27/10)

New York Times: “[Lack of jobs] means intractable budget deficits -- because without new jobs, economic performance and tax revenues will remain inadequate.” (Editorial, 1/27/10)