



A House of Cards (That Will Not Stand) 9/19/23

In their latest outlook to 2033, the Congressional Budget Office (CBO) forecasts that the U.S. debt will grow by \$21 trillion, from \$25.7 trillion in 2023 to \$46 trillion by 2033. Net interest on the debt will grow a staggering \$777 billion, from \$663 billion to \$1.44 trillion by 2033. And, according to the Social Security Commission, there will only be enough funds to cover 80% of its obligations.

Clearly this trend is economic suicide. It can't go on, but it will because Congress and the White House keep passing the buck. We need to do two things as soon as possible.

First, appoint a Commission (that will give Congress some cover) to recommend cuts in spending. Have an Alan Greenspan and a Bill Bradley type co-chair it.

Second, we can't as a practical political matter eliminate our deficits and debt, but we can slow it down. The Federal Reserve wants to bring inflation down to 2%. It might take them longer to achieve it, but they will get there.

We should hold total spending to the 2% inflation target. That's significantly slower than current projections. The Congress and White House could fight about how and where to spend the money, but the total annual increase will be held to the 2%.