



Written by [John F. McManus](#) on December 24, 2014

## Deficits Invite Catastrophe

Former Michigan Congressman David Stockman (1977-1981) accepted appointment as Director of the Office of Management and Budget at the launching of the Reagan administration in 1981. He stayed in that post until 1985 and left forecasting larger deficits than had ever been compiled by any previous president. He now issues his thoughts about the nation's finances in what is called "[Stockman's Corner](#)."



In a recent posting, [Stockman recalled](#) that the national debt went beyond the \$1 trillion plateau on October 22, 1981. His pointing this out reminded me of the "No Trillion Dollar Debt" campaign waged by The John Birch Society during that year. It was surely not one of the organization's most successful efforts.

Stockman noted that it took 205 years to compile a single trillion dollars of indebtedness. He calculated that all those years added up to 74,984 days. But the admitted national debt, now at \$18 trillion, saw its latest addition of a \$1 trillion dollars added to the debt total in a single 365-day year.

We often hear that President Reagan created a minimal government and was as thrifty with the people's money as any president had ever been. [But the figures tell a different story](#). The Reagan-G.H.W. Bush years (1981-1993) produced three times the average annual deficit that had been amassed during the peacetime years led by Democrats Franklin Roosevelt, John Kennedy, Lyndon Johnson and Jimmy Carter combined. Stockman even quotes Dick Cheney, who served in the first Bush administration, saying "deficits don't matter." The problem is that they do matter — very much.

Stockman expects the unrestrained government will add "at least \$15 trillion of new public debt in the decade ahead." That amount of accumulated red ink added to the total will likely top the Gross Domestic Product (GDP) for the year 2024.

What does all of this mean for Americans? It means that the future will grow dimmer every year, and that the nation will become more seriously beholden to creditors such as communist-led China that has vowed to destroy the United States.

There is no way out of this increasingly grim situation but a sharp cutback in federal spending. Instead, led by a president who cares little about deficits and by leaders of both political parties who are strongly disinclined to cease buying votes with the people's money and the Federal Reserve's continual creation of dollars backed by nothing, the outlook for fiscal sanity appears extremely poor.

Over the years, Stockman has stated that "the Republican Party has totally abdicated its job ... as guardian of fiscal discipline" and that the GOP "was hijacked by modern imperialists during the Reagan era." Correct! As for himself, he has stated that he "invests in anything that Bernanke can't destroy, including gold, canned beans, bottled water and flashlight batteries."

Of course, Ben Bernanke no longer sits atop the Federal Reserve. The privately owned and completely unconstitutional Fed is led by Janet Yellen. There is no reason to expect any change in America's



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suicidal fiscal policies.

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