



Written by [Thomas R. Eddlem](#) on April 13, 2009

Fiscal 2009 Deficit: \$956.8 Billion Already!

“Glimmers of hope”? How could being on pace for a nearly \$2 trillion one-year deficit possibly mean a glimmer of hope?

“What we’ve seen is mortgage interest rates go down to historic lows, and we’ve seen a very significant pickup in refinancings,” Obama [explained](#). “That has the effect of not only putting money in the pockets of people, but also contributing to stabilization of the housing market.”

What his statement means is that the brightest spot in the economy is not industry, industry manufacturing more stuff, as the administration’s Keynesian philosophy had promised. Nothing more is being manufactured, and in fact manufacturing is still on a spiral downward. Instead, the “glimmer” is that some of the loans for the stuff that has already been made are being refinanced. That’s hardly a “glimmer of hope”; it’s a continuation of a society of debt that has been created in the U.S. economy.



The deficit is on track to go higher than the forecast in Obama’s fiscal 2010 budget, which he submitted just six weeks ago, as well as higher than what most Wall Street investors expected. “A survey of economists by Dow Jones Newswires forecast a March deficit of \$150.0 billion,” the *Wall Street Journal* reported. The *Journal* added that the more recent and more pessimistic “Congressional Budget Office ... estimated ... deficit of \$191 billion” was closer to the mark.

The deficit is being mostly driven by spending, which has [increased by more than 33 percent](#) over last year’s spending levels. (In fairness, much of the increased spending came from the \$700 billion TARP legislation pushed by the Bush administration, but this was also backed by Obama.) But it’s also recently being driven by lowered tax revenues. The London *Financial Times* [reported](#) that declining corporate profits mean that corporate income tax revenues were cut in half and individual income taxes decreased by 15 percent in March over a year ago.

Thus, it’s no surprise that the Treasury figures were dumped into the Saturday news cycle, the pit wherein go stories public officials want buried because they are the least noticed.

How much is the expected \$2 trillion deficit? It’s about the same as what the federal government is receiving in the form of taxes. And if we divide the deficit among the 116 million households in America, it amounts to more than \$17,000 for every person heading a home or apartment in the United States. This is more than [the price of a new car](#) for every household in America — in just one year!

Not only is the federal government spending twice its income, it’s spending the equivalent of a new car



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for every American family, paid up front and not financed over a period of years ... except that no American will be able to drive those cars at the end of the year. The money will be gone. Spent. Wasted.

Like a strung-out drug addict looking for a last way to pay for a drug fix, the U.S. economy has exhausted the private credit markets with debt and is looking toward government for its last fix of debt spending.

The spending spree the federal government is currently on can only end badly. Obama's strategy to end a crisis of too much debt with still more debt is doomed to fail, and it doesn't matter whether Rush Limbaugh or anyone else "hopes" he fails or suddenly changes his mind and hopes he succeeds. The basic laws of economics and common sense dictate that such a strategy can't possibly succeed.

And the path to national debt will be littered with the rusted-out wrecks of cars for every American family that they never will be able to drive every year or two. But then again, the Obama administration's "stimulus" programs will pay for light rail and probably give the needy train or bus fare.



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