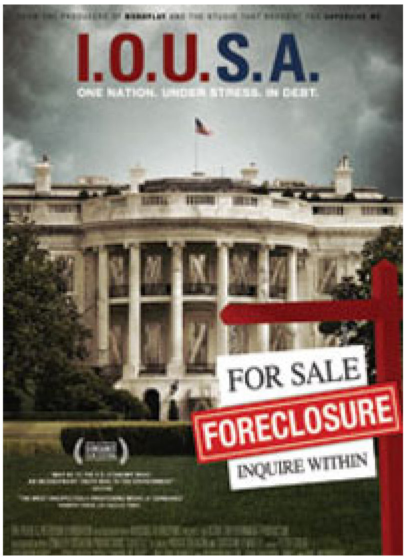
Statist Solutions



The panelists included Warren Buffett, chairman of the holding company Berkshire Hathaway; Peter G. Peterson, founder of the foundation bearing his name (which funded *I.O.U.S.A.*) and senior chairman of The Blackstone Group; David Walker, former head of the GAO and new CEO of Peterson's foundation; Bill Niskanen, chairman of the CATO Institute; and Bill Novelli, CEO of AARP.

As in the documentary, the panel discussion focused on profligate government and consumer spending as the cause of our runaway debt situation. Debtors apparently are an immoral lot and need to be reined in by more enlightened authorities. There was no mention of any culpability on the part of those on the *other* side of all debt contracts — that is, lenders.

Isn't the Federal Reserve banking system culpable for artificially lowering interest rates — encouraging individuals and businesses alike to save less, spend more, and accumulate debt they often cannot afford? Isn't the Fed also culpable for inflating the currency, thereby eroding the purchasing power of the dollar and making it harder for us to afford savings? It's not surprising that questions like these were absent from the panel discussion, since the whole *I.O.U.S.A.* show has been bought and paid for by the Peter G. Peterson Foundation, which is funded primarily by those whose fortunes have been made from the lending side of the debt equation. Nor is it surprising that long into the tedious discussion Peterson let drop that he and fellow elitists view *mandatory savings* as one of the two primary solutions for our debt crisis.

Both Peterson and his new hire Walker softened the implications of their mandatory savings plan by also referring to the concept more euphemistically as "automatic savings." Neither the moderator nor the other panelists bothered to note that we have an existing automatic/mandatory savings plan known as Social Security payroll tax deductions.

There was also no explanation in the obviously staged discussion as to how mandatory savings (read: tax hikes) would be maintained as savings. Wouldn't a forced-savings program require limitations on withdrawals? And what about a choice to invest in gold or silver bullion as opposed to putting money into the stock market or other fiat-dollar accounts? Would that option be available under Peterson's forced-savings plan?

Another statist solution to the debt crisis was offered during the panel discussion, when it was lamented that the United States is one of the few major countries without a budget for national healthcare. The implied message was that a firm healthcare budget should be set at the national level. Left unsaid was that "national" means the federal government, and "budget" means rationing.

Peterson claims that his foundation and its backers are pledging one billion dollars toward educating Americans about our debt crisis and how to solve it. However, as with most deals offered by money providers like Peterson, debt-strapped Americans need to be wary of what’s hidden in the fine print.

For a review of *I.O.U.S.A.*, see "*I.O.U.S.A.* How Much?!" by Brian Farmer.