

News Flash for Jack Lew: The US Government is Already Broke

Former US Treasury Secretary Jack Lew is bothered by the recently passed “tax reform” package, *The Hill* reports. His problem? It is “leaving us broke.” “How,” he wonders, “are we going to pay for the deficit caused by the tax cut?”

Lew headed the Treasury Department under US president Barack Obama, from early 2013 until the inauguration of Donald Trump last January. This means he would have been involved in budgeting for 2014, 2015, 2016, and 2017.

I don’t recall Lew complaining, at least in those terms, about 2014’s \$485 billion deficit. Or 2015’s \$438 billion deficit. Or 2016’s \$585 billion deficit. Or 2017’s \$666 billion deficit. That’s more than \$2 trillion added to the national debt — more than one tenth of the debt as accrued over more than 200 years, in just four years with Jack Lew running the federal cash register. In fact, I distinctly recall Jack Lew raising the roof every time Congress hesitated for even a minute before voting increases in his borrowing power.

As I write this, the national debt stands at more than \$20.5 trillion, and per the president’s 2018 budget request, the US government continues to spend money at a rate of about \$7.8 million per minute, 24 hours a day, seven days a week — about \$850,000 more dollars per minute than it raises with taxes.

When Jack Lew refers to “us” and “we,” he wants every American to assume responsibility for a “fair share” of that debt. Currently, such a share would come to nearly \$63,000 per US citizen.

But “we” didn’t borrow that money. A few hundred politicians did. Yes, they claim that “we” are their co-signers. But I don’t recall offering to cover their bar tabs. Do you?

As far as “broke” is concerned, the US government hit that point, and then some, long ago. It is bankrupt. Its accrued debt is greater than the US GDP. That is, the US government owes more money than is produced in goods and services in the US in an entire year. If every last one of us was taxed at 100%, it wouldn’t pay off that debt.

Nobody of sound mind expects the debt to ever be paid off. The holders of US government bonds are those who hope to make a killing before the carriage turns back into a pumpkin and (to mix metaphors) to find a chair just before the music stops. They just want the US government to take as much as it can, for as long as it can, out of our hides before the scheme collapses and the United States becomes Greece.

Vis a vis “paying for the deficit caused by the tax cut,” Mr. Lew, the answer is simple:

Reduce spending to match revenues, just like every responsible household in the country does. No, that isn't going to happen. Politicians of Mr. Lew's party and Mr. Trump's party are going to continue maxing out the credit card until it starts getting declined.

A time will come when the politicians repudiate the debt. And the time is long past for us to repudiate the politicians.