

Macro Roundup Article

Headline: [Federal Debt](#)

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Summary: If the United States matches spending to taxes – or in the parlance of economics, if it manages to sustain an average level of zero for the primary deficit. That does not mean a balanced budget. It means borrowing more only to pay the interest owed on what had been borrowed before. Today, this means a current cash deficit of around 3% of GDP – of approximately \$800 billion a year. But there is a problem here. Our current deficit is \$1.7 trillion a year – not 3% but 6% of GDP – with no prospects of a change in political dynamics that would lead to a reduction to 3%. Nixon economic advisor Herb Stein said: “If something cannot go on forever, it will stop.” But when? And how?

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Primary Topic: Fiscal Deficits

Topics: Database, Fiscal Deficits, Fiscal Policy, Government Spending, Op-Ed/Blog Post, Politics, Weekly

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