

This study attempts to ascertain the influence of national culture on economic variables. Especially, the influence of the national culture on consumers' attitudes and perceptions towards the national deficit. The selection of Japan and the United States was based on the vast cultural differences that exist between them. For empirical verification we used several different specifications of a wealth based consumption function that included the national deficit as one of its arguments. The results suggest that cultural traits seem to play an important role in consumers' attitudes towards the national deficit. In the United States economic agents view government bonds as, net addition to the private wealth affecting their consumption decisions. Such is not the case for the Japanese. Japanese consumption function does not respond to national deficits. One of the implications of this study is that cultural traits play an important role in assigning intergenerational debt burden.