



Written by [Charles Scaliger](#) on March 11, 2012

## February's Deficit the Highest Ever

February also marks the 41st straight month that the federal government has run a deficit, another gloomy record. The previous record streak was 11 straight months.

President Obama's proposed budget, released last month, estimates the annual deficit for the current fiscal year (2012) at \$1.327 trillion. Over the next decade, Obama's budget envisions a series of annual deficits below \$1 trillion — as high as \$901 billion in fiscal 2013 and as low as \$575 billion in fiscal 2018. Of course, the annual deficits must be added to the national debt, and for the 10-year period 2013-2022 the Obama budget forecasts the combined deficits at \$6.684 trillion. And we suppose that the forecasting in the Obama budget is wistfully optimistic, given current rates of government spending. With the debt-to-GDP ratio already north of 100 percent for only the second time in U.S. history (the first being the end of World War II), the United States is not far away from completely (for us) uncharted terrain.



At the moment, our debt-to-GDP ratio is about the same as that of Barbados and Ireland, and is exceeded only by Japan, Zimbabwe, Greece, Portugal, St. Kitts and Nevis, Italy, Jamaica, and Lebanon. Japan and Zimbabwe are the only two countries in the world whose debt-to-GDP ratio exceeds 200 percent. Greece, Portugal, Italy, and Iceland are already enduring significant hardship and will probably endure more as the eurozone continues to fray over the months ahead. The United States, thanks to the privileged status of the dollar as the world's reserve currency, may prove more resilient, but eventually the piper will have to be paid.

If we continue to permit our political leaders to rack up obscene deficits (which then accrue to the national debt), that moment may come sooner than we expect.



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