National Debt Increases by $1,054,647,941,626.91 in 2016

Data posted on the Treasury Department's website indicates that the federal government's total public debt outstanding increased by $1,054,647,941,626.91 during 2016. Treasury's online charts show that the federal debt was $18,922,179,009,420.89 on Dec. 31, 2015, the last business day of 2015. On Dec. 30, 2016, the last business day of 2016, it had increased to $19,976,826,951,047.80 — an increase of more than one trillion dollars.

A summary of this data compiled by CNSNews.com noted that the increase in the debt equaled $8,860.65 for each of the 119,026,000 households in the United States as of September, according to Census Bureau estimates.

Furthermore, in case anyone wants to place all of the blame for the debt increase on the Democrats, CNSNews noted that during 2016, while Democrat Barack Obama controlled the presidency, Republicans controlled both houses of Congress.

This is significant, since, according to the Constitution, all bills for raising revenue must originate in the House of Representatives (Article I, Section 7), and Congress shall have power to borrow money on the credit of the United States (Article I, Section 8).

Consequently, even the most profligate occupant of the Oval Office cannot spend a dime or borrow a dime unless Congress gives its approval.

As anyone who has studied even basic economics has learned, the public debt is the cumulative result of budget deficits; that is, government spending exceeding revenues.

If we look at the history of the national debt during the past 39 years, we may be surprised to find that our nation's fiscal health — in terms of the size of the national debt — fared better under Democrats Carter and Clinton than under the ostensibly conservative Ronald Reagan and both presidents Bush, before escalating more rapidly under Democrat Obama.

An article posted by *The New American* in 2014 cited as authoritative a source as the Congressional Budget Office (CBO), which had released a report showing that although that year's deficit would be much smaller than those of recent years, there was ominous news. The CBO report continued on to point out that "later in the coming decade … deficits [will] grow and federal debt [will] climb." The national debt, according to the CBO, will be $27 trillion in 2024. We also noted:

> The reason for the increasing deficits over time is simple: Government spending is projected to outpace the government's revenues. Projected outlays for 2014 are estimated to be $3.5 trillion but increase to more than $4.1 trillion in just three years. By 2024, the CBO estimates that government spending will be close to $6 trillion a year and continuing to grow by nearly four percent annually thereafter. With the economy struggling to get back to three-percent annual growth, one can see that this is a race that the economy cannot win. With a national debt approaching $18 trillion, that translates into more than $200,000 of federal debt for every private-sector worker, according to

Terence Jeffrey writing for CNS News.

The dire predictions made in 2014 are materializing. Back then, the national debt was approaching $18 trillion. As we saw, it reached almost $19 trillion by the end of 2015 and almost $20 trillion by the end of last year. We are now seven years away from 2024, and seven trillion dollars away from the ominous predicted debt target. With the increase in the national debt being more than one trillion dollars last year, that forecast looks to be right on the money.

Of course, the continued economic death march into hopeless debt need not continue, if our federal government can balance its budget through a combination of less spending and greater tax revenues as a result of policies that will stimulate business, generating higher profits and more corporate tax revenue. The great unknown is exactly what economic policies incoming President Donald Trump will put into place.

In an article posted last September, we discussed the potential effects of one of the economic solutions proposed by Trump — a massive cut in the corporate income tax rate from 35 percent to just 15 percent. We predicted that Trump's cut would invite companies holding cash abroad to seriously consider investing it in the United States, which would, in the words of Terry Jones in *Investors Business Daily*, "lead to an enormous jump in job creation — yes, Reagan-like job creation."

When considering whether a cut in corporate tax rates by a full 20-percentage points would have much of an impact on our economy, a look at history is appropriate. As we noted in the aforementioned article:

> During the John F. Kennedy administration, income tax rate cuts resuscitated a moribund economy, just as they did under Ronald Reagan. But history has failed to record adequately what happened when Bill Clinton cut the capital gains tax (remember Clintonomics?) from 28 percent to 20 percent in the highest bracket, and from 15 percent to 10 percent in the lowest: real (inflation-adjusted) Gross Domestic Product (GDP) per person grew from $38,000 in 1994 to $45,000 in 2001. At the same time, the country's national debt fell as a percent of output by a full 10 percentage points, from 66 percent to 56 percent.

If Clinton's cut in the capital gains tax resulted in a 10-percent drop in the national debt, could Trump follow suit?

The key question is not so much if Trump can repeat Clinton's success story, but if he will be willing and able to do so. This depends on two factors: One, he must follow though on his campaign promises and introduce the tax cuts, and two, members of Congress, including the Republican majority in both houses, must be cooperative and pass legislation putting these proposals into effect.

The annual trillion-dollar increase in the national debt must be stopped and reversed, or economic ruin will surely fall upon us by 2024.

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