

COMMUNITY COMMENT DECEMBER 19, 2012
This is Phil Arnot for Community Comment on KINS Radio.

In a recent article by Chris Cox and Bill Archer I was suddenly awakened about the true National Debt that we have. Mr. Cox was the former Chairman of the House Republican Policy Committee and a member of the Securities and Exchange Commission. Mr. Archer is a former Chairman of the House Ways and Means Committee and is a senior policy advisor for Price Waterhouse Cooper.

The Article starts out to say why the \$16 Trillion in debt and the fiscal cliff that we are about to go over only hints at the true debt of this great country of ours. These two gentlemen both served on President Clinton's bipartisan commission on entitlement and tax reform and made certain recommendations back in 1994. Nothing has happened and it is 18 years later.

The full extent of the problem has remained hidden from policy makers and the public because of less than transparent government financial statements. These gentlemen say that how else could responsible officials claim that medicare and social security have the resources that they need to fulfill their commitment for years to come. Our government has failed to produce the kind of financial statements that are required for profit and non profit enterprises.

These gentlemen say that the deficit is not 16 trillion dollars but the full liabilities of the federal government including social security, medicare care and federal employee future retirement benefits already exceeds 86.8 trillion dollars or 550% of our gross domestic product. They say that for the year ending December 31, 2011, the annual accrued expense of medicare and social security was 7 trillion dollars.

The only way that you can discover this information is in the annual medicare trustees report. In April when it was released the net present value of the unfunded liability of medicare was 42.8 trillion dollars. And at the same time the comparable unfunded liabilities for social

security was 20.5 trillion dollars.

The article goes on to say that 100% of the payroll taxes that go for Medicare and Social Security were spent in the same year that they were collected. As you know there is no lock box or trust fund as social security was stolen by congress many years ago contrary to what Senator Durbin has recently said.

In short, they say, if the government confiscated the entire gross income of all American tax payers, plus all of the corporate taxable income in the year before the recession, it wouldn't be nearly enough to fund the over 8 trillion dollars per year in the growth of U. S. liabilities. ~~They say that~~ some public officials and pundits claim that we could dig our way out through tax increases on upper income earners or even all tax payers. But, in reality, that would amount to bailing out the Pacific Ocean with a teaspoon. ^{The report} They conclude by saying that only by addressing these unsustainable spending commitments can the nations's debt and deficit problems be solved.

I leave you with a point to ponder, don't you think that our government should publish financial statements that present the governments largest financial liabilities in accordance with well established accounting principles and then when Congress convenes in January address these issues before it is too late.

Murray Christman to all & Phil Arnot
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