



The Daily Dish

Remember Me?

DOUGLAS HOLTZ-EAKIN, PATRICK HEFFLINGER | JANUARY 12, 2017

On Wednesday the Obama Administration proposed an increase in the royalty rate on coal mined from public lands. The proposal comes amid the release of a 1,300 page report, commissioned last year, aimed at reassessing the leasing program for coal mining on federal lands. While the Obama Administration authored the proposal, it will be up to the incoming Trump Administration to decide whether or not to follow through with the recommendation to increase the royalty rates.

Yesterday the Treasury Department made moves to sanction North Korean government officials and agencies. The treasury targeted seven officials and two agencies after North Korea's recent missile tests and threats. Additionally, the Treasury will freeze all U.S. assets of sanctioned parties.

Eakinomics: Remember Me?

It's Hi! I'm the federal debt. I used to be the gold standard of sovereign debt; a rock-solid AAA, but the Obama Administration undermined that over five years ago. I was a relatively fit and healthy 35 percent of Gross Domestic Product; but they put me on a diet of stimulus, bailouts, and entitlement expansions and I ballooned to twice that level. My Public Debt stands at over \$19.9 trillion, up \$9.3 trillion since the Obama inauguration and the equivalent of \$3.2 billion per day in office or \$28,800 per person in the United States.

I'm ever-more expensive to feed as interest payments will grow from \$223 billion in 2015 to \$712 billion in 2026, consuming 14 cents out of every dollar of taxes. And I just can't seem to get myself under control and am becoming steadily more bloated. It's not surprising that the judges at Standard & Poors announced that I'm in no shape to get back to the top echelons.

I've also lost a bit of confidence because nobody talks about me any more. During the campaign, neither candidate talked about helping to solve my problems. The president-elect inherits from the Obama Administration a deficit of nearly \$600 billion in 2017 that will rise to \$1 trillion by 2024. The public currently bears about \$14 trillion of me, but it will be shouldering nearly \$21 trillion at the end of the next eight years. You would think this unsightly public display would generate a public outcry and urgent demands for better fiscal fitness. Crickets.

It's okay, though. I know that Stay Puft marshmallow man wasn't perceived as much of a threat either...until he got too big.