



Walton County Democratic Party  
P.O Box 526  
DeFuniak Springs, FL 32435  
Ray Padgett, Chairman

**Do you feel a balanced federal budget is achievable and/or desirable?**

Balancing our federal budget is the easy part of the American economic problem. We did this with surpluses from 1998 through 2001. It is not only desirable that we have a balanced federal budget it is mandatory that we pay down our staggering \$7.2 trillion general fund debt on which we paid over \$318 billion in interest in 2003. Our federal government also owes another \$3 Trillion borrowed from our trust fund, which includes social security.

Our fascination with federal debt began in 1981 when we had a total debt of \$789 billion. The federal yearly deficit increased every year through the 80's and peaked in 1992 at \$290 billion bringing total debt to \$3 trillion. Our yearly deficit then began dropping under President Clinton's administration, until we reached a surplus in 1998. That surplus evaporated in 2002 and exploded to a historical high deficit of over \$520 billion this year plus another \$188 billion owed to our trust fund for a grand total 2004 federal debt of over \$708 billion. During these two decades, our national legislators created a lasting economic nightmare for our children and grandchildren of \$10.2 trillion total debt and it continues to spiral out of control.

Our country is in economic trouble and the federal debt is but one part of the picture. Our trade deficit went from \$0 in 1981 to over \$3.8 trillion in 2003 and foreigners now own \$8 trillion of U.S. financial assets. America is now the worlds leading debtor nation. Paul Volcker, former Federal Reserve Chairman, said in July 2001, "We are a debtor nation with nil personal savings and are absorbing a significant portion of other countries savings. These huge and growing external deficits are symptoms of imbalance in the national economy and the world economy that cannot be sustained". Further financial stress was added to working families over these two decades as incomes for the bottom 90% of American workers dropped by about 7% while incomes increased for the top 1% by over 300%.

Core causes of America's economic plight rests with our foreign trade policies, our tax laws and our inability to free ourselves from foreign oil. We have many trade policies that provide financial incentives and tax breaks for companies that outsource jobs or simply move the entire company to another country. The most notorious and disastrous for workers is NAFTA. In the opinion of many, NAFTA destroyed both manufacturing and family farming in this country and even managed to drop the wages of farm workers

in Mexico. Free trade cannot exist between countries unless they have the same economic laws (labor, tax, environmental, safety...).

Today the super rich pay only about 50% of the federal tax rate they paid twenty years ago, while most workers taxes increased. Tax laws have become so complex, voluminous, pork barreled and filled with loopholes that only a few people understand them. This further decreases taxes paid by people like Bill Gates who have lawyers advising them how to donate millions to charity and receive tens of millions in reduced taxes. Other companies, like Bush/Cheney friend, Halliburton, moved offshore to avoid paying U.S. taxes. Our legislators have created a system that effectively works like a reverse Robin Hood, steal from the workers and give to the rich.

The U.S. federal deficit and our total national debt reflect the unwise financial direction of our country. America must be both militarily and economically strong, we cannot simply depend on our military to protect us from the continued economic blunders of this administration. Financial responsibility and economic stability are mandatory for our nation to remain strong and eliminating the federal deficit is critical to accomplishing this goal.

The Walton County Democratic Party strongly support proposals that eliminate the federal budget deficit and greatly reduce our total debt. We further believe that the economic strength of our nation will continue to decrease unless we once again become a nation, which creates and produces products for our own consumption and export, primarily manufacturing and farming. It is crucial that our import policies be modified to adjust import taxes to make up for wage and environmental cost differences between the United States and each trading partner we deal with and to eliminate tax incentives to move offshore. We must stop overspending, especially with the enormous tax give-away contracts and programs to giant international corporations like Halliburton. America can no longer afford to collect taxes unfairly and then distribute this money like Christmas candy to wealthy campaign contributors or our nation will continue to slide into economic depression.