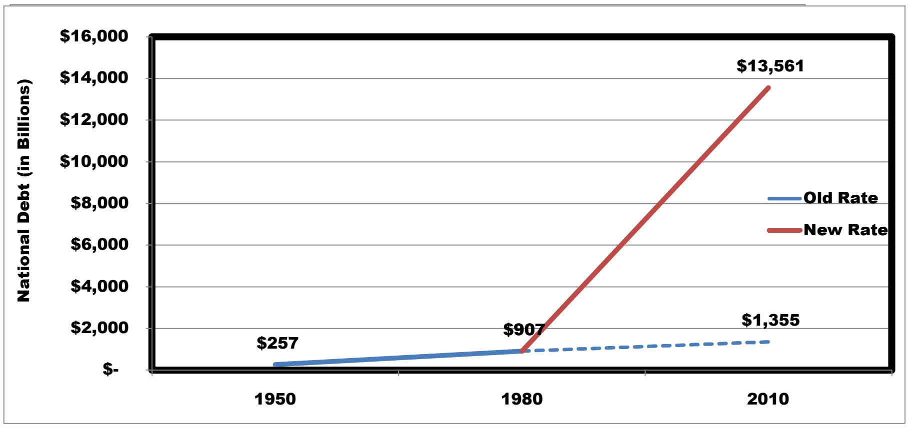
Impact on the National Debt
Cutting Taxes While Running a Deficit
In Billions



NATIONAL DEBT INCREASE

Year	1950	1980	2010
Old Rate	$ 257	$ 907	$ 1,355
New Rate		$ 907	$ 13,561

In Billions

COMPOUND INTEREST

Year	1950	1980	2010
Old Rate	257	907	13561
New Rate		4.30%	9.43%

In Billions

SIMPLE INTEREST

Year	1950	1980	
Old Rate	257	907	
Increase		11.76%	
New Rate		907	13,561
Increase			49.84%

In Billions

**The Old Rate is the rate of increase before tax cuts. It averaged 4.3% per year compounded.
In terms of simple interest it rose 11.76% in the 30 years from 1950 to 1980.**

**The New Rate is the rate of increase after tax cuts. It averaged 9.43% per year compounded.
In terms of simple interest it rose 49.84% in the 30 years from 1980 to 2010.**

Per Voodoo Economics (AKA Supply Side Economics) the new rate should have stayed the same as the old rate due to the vast amounts of revenue the tax cuts would generate.

Even given the Reagan military buildup and two unpaid for wars it appears that by far the biggest cause for the size of our current National Debt is the revenue shortfall caused by tax cuts.

With all due respect to Senator McConnell, it was not a spending problem it was a revenue problem!

When running a deficit no revenue source should be reduced unless it is at least accompanied by matching revenue gains or spending cuts.

To reduce the national debt revenue must exceed expenses.

Source: TreasuryDirect: Historical Debt Outstanding - Annual 2000 - 2010