

# Present policies will lead to financial collapse

The columns by Rich Lowry and Robert Samuelson in Saturday's Daily News should have been helpful to anyone struggling to understand what is currently going on with the economy and why government intervention is going to make the situation infinitely worse.

Lowry explains the potentially disastrous consequences of programs like the popular "cash for clunkers" initiative; Samuelson provides a cautionary tale outlining how California's economic woes foreshadow the fate of the rest of the country.

Both commentaries revolve around two words that, when paired together, seem to be beyond the comprehension of many citizens and those elected to represent them: "Fiscal responsibility."

As Samuelson astutely observes, "There's a collision between high and rising demands for government services and the capacity of the economy to produce the income and tax revenues to pay for those demands." Lowry uses a broader brush but is equally on-target: "The spectrum of Washington economic policies run in a narrow span from the thoroughly asinine to the merely ill-conceived."

Many of our citizens seem engaged in wishful thinking that constitutes nothing short of mass delusion. We want the government to provide more services. At the

same time, we are staunchly against raising taxes to pay for those additional services.

The reality we all need to face is that the basic laws of economics cannot be circumvented indefinitely. Any increase in expenditures, whether by individuals or governments, must be accompanied by a corresponding increase in revenues; i.e., we cannot continue to spend more than we take in.

Unless we come to our collective senses — and fairly soon — this schizophrenia will precipitate dire consequences for our economic future. Eventually, our present policies will lead to a financial collapse that our children will be forced to contend with for several generations to come.

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