Yesterday I blogged about the new CBO numbers on the deficit and the remarkable jump in the deficit figures. If that is extended over the full 2008-2018 period, CBO projects that spending will average 21.1% of GDP. Federal revenues have never exceeded 20.9% of GDP (a level reached in 1944, 2000). Ke... Yesterday I blogged about the new CBO numbers on the deficit and the remarkable jump in the deficit figures. If that is extended over the full 2008-2018 period, CBO projects that spending will average 21.1% of GDP. Federal revenues have never exceeded 20.9% of GDP (a level reached in 1944, 2000). Keep in mind that 1944 was one of the most active years of the Second World War.

There is no precedent for federal taxes at the level CBO projects federal spending will be over the next ten years. Spending must be cut, and the next President and Congress must hold the proverbial fiscal line. If fiscal discipline is not exercised, in spite of what some are saying about taxing only “the rich”, they will have to take a big bite out of everyone’s paycheck in order to pay for the spending that is being proposing.