

politician stands before his constituents and says, "I'll run for a tax increase." So, by tradition, politicians do not want to, if it can be prevented, run on a platform of increased taxes. So, when we should have taxed away we did not. In the meantime - and we have run consecutive deficits year in and year out - we've begun looking for justification for the deficit.

For instance, we say, "Well, now, let's look at the budget a little bit differently. When we spend more than we have coming in we should look at where we are putting the spending and say, like a private corporation, 'The part that goes into dams and roads we'll call an investment rather than an expenditure.'" And, there is something to it. But, the lesson to be learned is that the balancing of the budget, at the time we could have done it, was not done. And now, at the time that we make the budget policy subject to a full employment policy, I feel of course that it is the wisest thing to do, but it does not solve the problem of your national debt.

Then, you can give the answer, "Well, is the national debt so bad?" Some people say it is; some people say it is not. You can get out of this by saying, "Well, we owe it to ourselves." There's a considerable school who feel this way. And, "The expenditures made are made during our time and we benefit from these expenditures." And I believe that when a national debt is held mostly internally, as it is, in America, it doesn't do anything to the prosperity of the nation because there is no leakage out of the income, you see.

The British, for instance, are saddled with an external national debt on which they will have to pay not only interest, but also have to pay back to foreigners. We don't have that. If you get your bone back is it because the gentleman over there paid it as a result of a refinancing operation? It stays within the group. However, I do not think that we will ever attempt to get rid of the national debt as such. It has some advantages, because as a result of a national debt we are