

US National Debt Surpasses \$30 Trillion for the First Time

By [Telesur](#)

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The milestone of US\$30 trillion in debt should be “a giant red flag for all of us about America’s future economic health, generational equity, and role in the world,” said Michael Peterson.

On Monday, the U.S. Treasury Department announced that the national debt surpassed US\$30 trillion, which included US\$23.5 trillion in debt held by the public and US\$6.5 trillion in intergovernmental holdings. This raises concerns about future fiscal sustainability, as the Federal Reserve prepares to raise interest rates to tame inflation.

The milestone of US\$30 trillion in debt should be “a giant red flag for all of us about America’s future economic health, generational equity, and role in the world,” said Michael A. Peterson, CEO of the Peter G. Peterson Foundation.

“How we got here is a long story of repeated chapters of fiscal irresponsibility on both sides of the aisle. Leaders in Washington have made imprudent decisions over decades, time and again choosing a favorite new tax cut or spending program above our collective future.”

The national debt increased sharply in recent years, in part because of former President Donald Trump’s large tax cuts and massive government spending to fight the COVID-19 pandemic.

Peterson also warned that on the current trajectory, the interest on the national debt will rise to eat up nearly 50 cents of every tax dollar collected in 2050. “It’s not only unsustainable, it’s a moral failure that will harm our children and grandchildren,” he said, urging policymakers to put the nation on a strong and sustainable fiscal path.

As you can see from this graph, the US economy is driven by consumer debt.

As debts have gone up, inflation has gone up - making our currency worth less, and until recently workers' wages were stagnant. Families shouldn't have to keep borrowing to survive. pic.twitter.com/9gncowzDA1

— Rom [redacted] (@TheOfficialRom) [January 30, 2022](#)

The rising national debt came after U.S. Congress passed legislation in December to raise the federal government's debt limit by US\$2.5 trillion to about US\$31.4 trillion, averting a looming debt default. The Fed signaled last week that the central bank is ready to raise interest rates as soon as March to combat surging inflation as it exits from the ultra-loose monetary policy enacted at the start of the pandemic.

Now traders have priced in a total of five quarter-point rate hikes this year, bringing the federal funds rate to a range of 1 percent to 1.25 percent by the end of the year. The rate hikes will certainly push up U.S. debt service costs.

A growing debt burden could increase the risk of a fiscal crisis and higher inflation as well as undermine confidence in the U.S. dollar, making it more costly to finance public and private activity in international markets, the Congressional Budget Office warned.

Despite an intensified US blockade, [#Cuba](#) provides the world with two COVID-19 vaccines.

Soberana 02, with 62% efficacy after two doses—likely to rise after the Soberana Plus trial results are known.

Abdala, with 92.28% efficacy after three doses—the third highest worldwide. pic.twitter.com/xwT7jV7mMf

— teleSUR English (@telesurenglish) [June 22, 2021](#)

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