

# BACKGROUND PAPER - OUR PROBLEM

Former Chairman of the Joint Chiefs of Staff, Admiral Michael Mullen, on the occasion of his retirement, told America he thought the biggest threat facing our nation was our national debt. The man who every day in his job had to evaluate threats from nuclear annihilation, cyber terrorism, asymmetric jihad, chemical and biological warfare, global poverty, and environmental devastation told us that our self-inflicted national debt was the worst of the lot, and could metastasize and destroy this extraordinary nation that has taken so many two and a half centuries to build.

With respect for Admiral Mullen, and gratitude for his service, the problem is bigger and worse than our enormous national debt, which is why this *Bill of Financial Responsibilities™* Project is being undertaken.

The U.S. Federal Government is in very bad financial shape. It is too big, spends too much, wastes too much, and intrudes too much, all as a result of decades of fiscal mismanagement and failure to limit abuses of federal power.

Lacking Constitutional constraint, or intervention by the people, our national elected officials have...

- created a complex and unmanageable tax system set forth in 75,000 pages of the Internal Revenue Code, a code that now permits one in five large, profitable U.S. companies and 47% of our citizens to pay no federal income tax at all while our government is drowning in debt;
- appropriated for most of the last 85 years continuous deficit spending resulting in a cumulative federal debt exceeding \$20 trillion, despite explosive growth in our nation's economy;
- authorized 175,000 pages of regulations, many of which may not be authorized in law;
- misappropriated approximately \$3 trillion of Social Security and Medicare funds to pay other federal government obligations thus jeopardizing the future availability of resources mandated by law for legitimate healthcare and retirement benefits to our people; and

- employed improper accounting that massively understates the extent of Federal Government financial liabilities.

Almost a century of Federal mismanagement has steadily weakened us as a nation and could, if not fixed, result in the collapse of our currency, our economy, and perhaps even our entire federal government. The extent and difficulty of these problems is rapidly growing and absolutely nothing is being done to solve them.

It is time for we the people to step up and fix this, once and for all. The *Bill of Financial Responsibilities™* Project will outline how.