
The National Debt: Revisited

Segment Length: 1:35 minutes; 3:38 minutes

Videos:

“Stop Freaking out About the Debt”

<https://www.youtube.com/watch?v=UwKZVPYssOg>

“One Thing We Should Copy from Canada”

<https://www.youtube.com/watch?v=KmOeqLci6QI>

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. The Vox video asserts that inflation, not debt, is the real worry. What is the connection between federal debt and inflation?
2. The Canadian safety net was more like a hammock, says John Stossel. David Henderson says Canadians could work as little as eight weeks of the year. What affect do you suppose this had on tax revenue?
3. What negative consequence does Matthew Iglesias from Vox say will result from inflation? How is this consequence connected to inflation? What affect might inflation, then, have on America’s ability to pay its debt?
4. John Stossel notes that Canada paid down its debt primarily by cutting spending with some tax increases. Why, according to Stossel and David Henderson, are spending cuts a better way to pay down debt?
5. Vox tells us that higher taxes or reduced benefits could help the U.S. pay down its debt but might lead to fewer jobs and lower incomes. According to Matthew Iglesias, how could trying to pay down the debt be bad for the economy?
6. John Stossel reports on Canada’s debt to show how the United States might address its own debt problem. How was Canada able to pay down its debt?
7. David Henderson tells John Stossel that cutting government spending means Americans’ money will be used more valuably. How could this be so?

8. John Stossel reports that the unemployment rate in Canada decreased despite layoffs of government workers. How do you think Matthew Iglesias would predict these layoffs to affect the Canadian economy, based on his argument about cutting benefits to pay down the debt?