

National Wealth and Public Indebtedness – National Wealth

Unknown

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WHILE the lives and the wealth of the European nations are being sacrificed on a scale hitherto unparalleled, it is well in the interests of those nations, as well as of our own, that we conserve the lives and wealth of our own people. The greatest wealth of a nation is its children, its productive workers, its scientific men and other leaders, its accumulated knowledge and social traditions. These are immeasurable, but the Bureau of the Census has recently prepared a report on the material wealth and indebtedness, according to which it is estimated that the total value of all classes of property in the United States, exclusive of Alaska and the insular possessions, in 1912, was \$187,739,000,000, or \$1,965 per capita. This estimate is presented merely as the best approximation which can be made from the data available and as being fairly comparable with that published eight years ago. The increase between 1904 and 1912 was 75 per cent., for the total amount and 49 per cent. for the per capita. Real estate and improvements, including public property, alone constituted \$110,677,000,000, or 59 per cent. of the total, in 1912. The next greatest item, \$16,149,000,000, was contributed by the railroads; and the third, \$14,694,000,000, represented the value of manufactured products, other than clothing and personal adornments, furniture, vehicles and kindred property.

The net public-indebtedness in 1913 amounted to \$4,850,461,000. This amount was made up as follows: National debt, \$1,028,564,000, or \$10.59 per capita; state debt, \$345,942,000, or \$3.57 per capita; county debt, \$371,528,000, or \$4.33 per capita; and municipal debt, \$2,884,883,000, or \$54.27 per capita. Thus the average urban citizen's share of the net federal, state, county and municipal debt combined was \$72.76; and the average rural citizen's share of the net federal, state and county debt combined was \$18.49.

The total federal debt in 1910 was \$2,916,205,000, of which amount \$967,366,000 was represented by bonds, \$375,682,000 by non-interest-bearing debt (principally United States notes or "greenbacks"), and \$1,573,157,000 by certificates and notes issued on deposits of coin and bullion. Against this indebtedness there was in the treasury \$1,887,641,000 in cash available for payment of debt, leaving the net national indebtedness at \$1,028,564,000, or \$10.59 per capita. The increase in the net indebtedness between 1902 and 1913 amounted to 6 per cent., but for the per capita figure there was a decrease of 13 per cent. The burden due to the national debt is thus very light in comparison with that imposed by the indebtedness of other great nations.

The state debt, however, rests still more easily on the shoulders of the average citizen, being only one third as great as that of the nation. The total state indebtedness in 1913 was \$422,797,000, and the net debt—that is, the total debt less sinking-fund assets—was \$345,942,000, or \$3.57 per capita. The net debt increased by 44.5 per cent. between 1902 and 1913, and the per capita net debt by 18 per cent.

The total county debt in 1913 amounted to \$393,207,000, of which amount \$371,528,000, or \$4.33 per capita, was net debt. The net indebtedness increased by 89 per cent. between 1902 and 1913, and the per capita net indebtedness by 55 per cent. By far the greatest item of indebtedness in this country is that of municipalities. This amounted in 1913 to an aggregate of \$3,460,000,000, of which \$2,884,883,000, or \$54.27 per capita, represented net indebtedness. The rate of increase in net indebtedness between 1902 and 1913 was 114 per cent.

While the nations of Europe are involving themselves in the toils of debts, we should use our vast surplus wealth to pay the national, state and municipal debts, even those contracted for public improvements. We save every year about \$100 for each adult and child of the country and waste about an equal sum. It would be well if this wealth could be invested for the benefit of each, and education and scientific research are the most productive of all investments.