

## *US DEBT CEILING*

**REAL MONEY column for The Santa Fe New Mexican**

**By Rob Rikoon**

**August 2, 2011**

What a great opportunity we now have to see the inner workings of the intertwined worlds of government and finance. As the debate rages on about our nation's debt, people are horrified about how dysfunctional our system seems to be and mystified about how we got here.

It's true, Congress is acting like a gang of moody schoolchildren spoiling for a playground scrap because most of its members are beholden to special interest groups or party obligations that prohibit them from exercising their native intelligence and ability to compromise. We are polarized because of intrusive technology and the ingenuity of the best and brightest strategists who hone in on demographic information and voting patterns in order to intimidate independent thinkers. Even Dennis Kucinich, normally an astute critic of conventional thinking, can turn in public and blame peripheral players like the bond rating agencies for the ills of government budget excesses. How absurd!

Everyone knows a temporary measure will be put into place to raise the debt ceiling because both parties fear being blamed for a service shutdown like the one recently incurred by the state of Minnesota. The fact that we live beyond our means is not lost on anyone. The question at the heart of the debate can be simply stated as: is government involvement part of the solution or part of the problem when it comes to the health, welfare, education and conduct of its citizen's lives?

Great theorists and strong leaders do not abound in a world where personal lives are under microscopic examination and instant feedback can be generated to discredit any point of view. We just don't seem to have the luxury of letting time take its due course without some form of human meddling.

Relax: the US is not going to default on its debt. We own the biggest money printing press in history backed up by the strongest military ever placed on the planet. However bad the shape of our finances are, we still trump the hands held by most other nations except Oil Exporters and China. The markets have been exceptionally calm through this and not just because Wall Street has moved to the Hamptons for the brutally hot summer.

However our elected representatives get over the present budget hurdle, the ongoing dilemma of our nation's course will not be solved. In much the same way that Europe has sidestepped a meltdown over Greece by generating enough public confidence in their combined governments so that everyone can go on for a while, we will hobble down the road of pushing structural reforms off until after the next election. If President Obama has a second term, we will see if he has what it takes to face the entitlement issues that have eventually sunk empires throughout history.

We have what it takes to tighten our belts and collectively make do with less. Our children know how to work cooperatively and they are accepting of cultural differences in ways that will allow them to speak Mandarin or Arabic as well as live and work in places most of their parents would find uncomfortable. The political nonsense that we witness daily around the nation's budget is really a side show. The superficial deals that will be cut and then re-cut many times are not nearly as important as the undercurrents of changing expectations on the part of our citizens, who no longer expect the system to work, nor the readjustment of global financial clout, which is definitely moving out of the Western hemispheres. Hold onto your hats and enjoy the ride!

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