

Generational Debt Balance Sheet... "We owe it to ourselves"

CLK	TOTAL				
	Prod	Lend	Tax	Gpay	Cons
1	50	0	0	0	50
2	150	24	0	24	150
3	200	27	33	60	200
4	200	36	30	66	200
5	200	42	36	78	200
6	200	39	45	84	200
7	200	36	42	78	200
8	200	33	39	72	200
9	200	30	36	66	200
10	200	27	33	60	200
11	200	24	30	54	200
12	200	21	27	48	200
13	200	18	24	42	200
14	150	0	36	36	150
15	50	0	0	0	50

Adam					
Prod	Lend	Tax	Gpay	Cons	
50		0		50	
100	24	0		76	
50		11	48	87	

Francis					
Prod	Lend	Tax	Gpay	Cons	
50		15		35	
100	36	14		50	
50		13	72	109	

Kylie					
Prod	Lend	Tax	Gpay	Cons	
50		10		40	
100	21	9		70	
50		8	42	84	

Bart					
Prod	Lend	Tax	Gpay	Cons	
50			24	74	
100	27	11		62	
50		10	54	94	

Gary					
Prod	Lend	Tax	Gpay	Cons	
50		14		36	
100	33	13		54	
50		12	66	104	

Larry					
Prod	Lend	Tax	Gpay	Cons	
50		9		41	
100	18	8		74	
50		18	36	68	

Cathy					
Prod	Lend	Tax	Gpay	Cons	
50		11	12	51	
100	36	10		54	
50		12	72	110	

Henry					
Prod	Lend	Tax	Gpay	Cons	
50		13		37	
100	30	12		58	
50		11	60	99	

Mary					
Prod	Lend	Tax	Gpay	Cons	
50		8		42	
100	0	18		82	
50		0	0	50	

David					
Prod	Lend	Tax	Gpay	Cons	
50		10	12	52	
100	42	12		46	
50		15	84	119	

Ian					
Prod	Lend	Tax	Gpay	Cons	
50		12		38	
100	27	11		62	
50		10	54	94	

Edgar					
Prod	Lend	Tax	Gpay	Cons	
50		12	6	44	
100	39	15		46	
50		14	78	114	

Jenny					
Prod	Lend	Tax	Gpay	Cons	
50		11		39	
100	24	10		66	
50		9	48	89	

BIRTH	DEATH	TOTAL		
		Prod	Cons	Util
Adam				24.1
Bart				
Cathy				
David	Adam	200	213	25.1
Edgar	Bart	200	230	26.2
Francis	Cathy	200	215	25.0
Gary	David	200	217	24.9
Henry	Edgar	200	204	24.1
Ian	Francis	200	194	23.4
Jenny	Gary	200	194	23.5
Kylie	Henry	200	194	23.6
Larry	Ian	200	194	23.7
Mary	Jenny	200	194	23.8
	Kylie	200	194	23.9
	Larry	200	183	23.3
	Mary	200	174	22.6

LEGEND:

- Prod = Production, total production of apples in a given period
- Cons = Consumption, total consumption of apples in a given period (no apples may be stored across periods)
- Lend = Apples used to buy government bonds, thus being loaned to the government for redistribution purposes
- Gpay = Government Payments, apples from government either for education grants (e.g. Bart, Cathy, David, Edgar) or maturity payment on bonds.
- Tax = Apples taken from individuals by government in order to cover bond maturity (always shared equally within any given period)
- Util = Utility function from Bob Murphy, based on $\sqrt{C1} + \sqrt{C2} + \sqrt{C3}$ where C1, C2, C3 are consumption during three periods of individual lifespan (young, adult, old)

NOTE:

Government bonds pay 100% interest over exactly 1 period (i.e. Double your money back after approx 25 years)

KRUGMAN'S ASSERTION:

... one of my favorite points: no, debt does not mean that we're stealing from future generations.
(New York Times, February 6, 2015 7:32 am)

REFERENCES:

- <http://consultingbyrpm.com/blog/2015/02/krugman-defenders-0-murphyrowe-324.html>
- <http://consultingbyrpm.com/blog/2012/01/the-economist-zone.html>
- <http://www.theamericanconservative.com/articles/does-government-debt-burden-our-grandkids/>
- <http://moneymorning.com/2012/01/09/paul-krugman-is-dead-wrong-debt-matters/>

Four generations better off, eight generations worse off.

Yes you are stealing from future generations!

