

# The Public Debt of the United States

---

*An Historical Perspective,  
1775–1990*

Donald R. Stable  
and  
Jeffrey A. Cantor

---

PRAEGER

New York  
Westport, Connecticut  
London

# Contents

Tables	ix
Preface	xi
Acknowledgments	xv
1. Public Policy and Public Debt	1
PUBLIC FINANCE	3
DEBT MANAGEMENT AND ADMINISTRATION	6
OVERVIEW OF THIS BOOK	8
2. The Beginnings of Debt (1775-1801)	11
FINANCING THE AMERICAN REVOLUTION	11
THE CONSTITUTIONAL ERA	15
THE FEDERALIST ERA	20
3. Keeping the Debt Small (1801-61)	29
THE JEFFERSONIANS	30
THE JACKSONIANS	37
AN INDEPENDENT TREASURY	43
4. The First Growth in Debt (1861-1900)	51
THE CIVIL WAR	52
THE POST-CIVIL WAR ERA	59
EXPANSION OF THE TREASURY	65
5. The Debt Drifts Upward (1900-40)	73
THE ERA OF REFORM	73
WORLD WAR I	77

THE RETURN TO NORMALCY	80
THE GREAT DEPRESSION	84
6. Debt Expansion during World War II (1940-45)	91
FINANCING WORLD WAR II	92
WARTIME DEBT ADMINISTRATION PROBLEMS	101
7. Postwar Debt Consolidation (1946-60)	109
THE POSTWAR ECONOMY	110
FISCAL MANAGEMENT	111
OPERATIONS AT THE BUREAU OF THE PUBLIC DEBT	113
FISCAL MANAGEMENT IN THE 1950s	116
EFFICIENCY IN ADMINISTRATION	122
8. A New View on the Debt (1960-69)	129
THE ECONOMY AND FISCAL POLICY	130
DEBT MANAGEMENT POLICIES	133
DEBT ADMINISTRATION	136
OPERATIONAL IMPROVEMENT	140
9. Debt Growth in a Stagnant Economy (1970-80)	147
THE NIXON YEARS	148
THE FORD YEARS	150
THE CARTER YEARS	151
DEBT MANAGEMENT POLICIES	152
DEBT ADMINISTRATION	156
THE BOOK-ENTRY SYSTEM	157
COMPUTER OPERATIONS	158
ORGANIZATIONAL CHANGES	159
OPERATIONAL IMPROVEMENT	162
LOOKING AHEAD	165
10. Economic Experimentation and Debt Expansion (1981-88)	173
THE REAGAN REVOLUTION	173
THE ECONOMY IN THE 1980s	177
GENERAL TREASURY ACTIVITIES	180
THE BUREAU OF THE PUBLIC DEBT KEEPS PACE	185
TREASURY DIRECT	188
THE SAVINGS BOND OPERATIONS OFFICE	193
THE GOVERNMENT SECURITIES ACT	196
11. The Debt in Historical Perspective	207
DEBT AND GOVERNMENT SIZE	208
DEBT AND GNP	209

Contents

vii

COMPARATIVE GROWTH RATES	211
INTEREST RATES AND THE DEBT	214
A DEBT REDUCTION PLAN	216

Bibliography	223
--------------	-----

Index	235
-------	-----