

# The GAO says we owe more than we own.

September 5th, 2010

the U.S. government reported that it owed (i.e., liabilities) more than it owned (i.e., assets) by almost \$9 trillion. In addition, the present value<sup>1</sup> of the federal government major reported long-term fiscal exposures liabilities (e.g., debt), contingencies (e.g., insurance), and social insurance and other commitments and promises (e.g., Social Security, Medicare) rose from \$20 trillion to about \$50 trillion in the last 6 years.

<http://www.gao.gov/new.items/d07362sp.pdf>

We have total debt and obligations of \$120 trillion for the 75 year obligation (includes cities and state government which is all part of government)

quote

If the government decides to expropriate (steal) or commandeer (e.g., force into Treasuries) America's private wealth in order to buy survival time, such a measure will be designed to destroy the common citizens, not the elite. Insiders will be given advance warning about any such plan, and will be able to transfer their money offshore or into financial vehicles immune from harm. Assuming that the elite moves its money to safety, there would then be \$120,000,000,000,000.00 (\$120 trillion) in American debt and liabilities supported by only \$32,000,000,000,000.00 (\$32 trillion) in private net worth, for a deficit of \$88,000,000,000,000.00 (\$88 trillion). In that case, each American would owe \$285,714.29 to balance the country's books. (Remember to multiply this amount by every person in your household, including any infant children.)

<http://www.kitco.com/ind/Dougherty/jan222010.html>

We can argue over some of the trillions but, the point is we can't ever get ahead of this. We either have to default or hyperinflate (a default also).

The fifty trillion is current total debt. As you know, it is about 380% of GDP (again, that includes all U.S. debt as shown in this breakdown. The U.S., not just the federal government owes this.

[http://paul.kedrosky.com/WindowsLiveWriter/U.S.TotalCreditMarketDebtbySector1929200\\_93C7/debt-trend-breakdown\\_thumb.jpg](http://paul.kedrosky.com/WindowsLiveWriter/U.S.TotalCreditMarketDebtbySector1929200_93C7/debt-trend-breakdown_thumb.jpg)

That doesn't include unfunded obligations.

This isn't too old so given the "trillions" we are talking about, it is very close

- # Total Domestic Financial Sector Debt = \$17.2 Trillion
- # Total Household Debt = \$13.8 Trillion (for year 2007)
- # Total Business Debt = \$11.1 Trillion

# Total Other Foreign Debt = \$1.9 Trillion

# Total Federal Government National Debt = \$12+ Trillion

# Total State and Local Government Debt = \$2.2 Trillion

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Total = over \$57 Trillion

**<http://one-simple-idea.com/DebtAndMoney.htm>**

So, while U.S. Government debt is now over \$13 trillion, the figure is still close enough to get an idea of how bad it is because the private sector has to carry the burden of most of that debt. Some of the corporate debt can be carried by foreign buyers of their goods and services as that debt servicing would be included in the prices they charge overseas buyers.

- Jan Paul

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