



Written by [John F. McManus](#) on November 28, 2018

## Indebtedness: The Path to Disaster

President Trump and his administration don't want to discuss an enormous problem facing the nation. The problem is indebtedness. It's huge and getting larger every day.

Discussions about the national debt usually focus on dollar amounts so large that they become almost meaningless. But the figures can be understood, so let's try to bring clarity to a monstrously serious problem.



Anyone can use the Internet to find the following information about Uncle Sam's profligacy.

1. As of mid-summer 2018, the national debt totaled more than \$21.3 trillion dollars. (\$21,300,000,000,000.) It continues to rise.
2. Annual interest payments to holders of this massive indebtedness now total \$170 billion (\$170,000,000,000.)
3. The federal government's yearly addition to its indebtedness exceeds the nation's Gross Domestic Product (GDP), which is the worth of all the productivity of the American people.
4. The never audited Federal Reserve is a major holder of U.S. government indebtedness.
5. The United States is beholden to foreign governments that have purchased U.S. Treasury securities. China and Japan each hold more than \$1 trillion of these securities and receive interest payments on what they have loaned to our country. (Does being indebted to Communist-controlled China affect U.S. foreign policy? Of course it does.) Other government lenders include Brazil, Ireland, Britain, Luxembourg, Switzerland, Saudi Arabia, Taiwan, and India.
6. The Social Security Trust Fund and 230 other federal agencies own 28 percent of the U.S. national debt. The so-called Social Security trust fund has no money; all it has is government IOUs.

In 2010, a little-known member of Congress from Wisconsin assessed the nation's indebtedness. Paul Ryan stated:

Unprecedented levels of spending, deficits and debt will overwhelm the budget, smother the economy, weaken America's competitiveness in the global 21st century economy, and threaten the survival of the government's major benefit programs.

Ryan attracted growing attention as a result of his expressed concerns. In 2012, he became Mitt Romney's running mate against the Obama-Biden Democrats. After that GOP team lost the 2012 presidential race, Ryan was soon tapped to be Speaker of the House of Representatives. Early in 2018, he decided to leave both that post and even membership in the House. Did he decide to leave politics because he knew that national indebtedness was being ignored?

As Ryan (and others) indicated in 2010, spending and indebtedness posed a huge threat. It only got worse. In November 2018, retired Texas Congressman Ron Paul reported that an audit of the Pentagon showed barely 10 percent of its agencies could account for how they lost trillions in spending. Pentagon



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officials didn't express embarrassment about their inability to explain the disappearance of billions. Without shame, they asked for an extra billion to help find what happened.

Twice during the current decade, the House of Representatives passed a measure calling for an audit of the Federal Reserve. Twice, the effort died when the Senate failed to produce a similar measure. Therefore, the Fed will continue to manage (rather "mismanage" for nefarious purposes) the nation's economy.

History shows that nations can become basket cases because of wild spending, overregulation and indebtedness. Once-prosperous Zimbabwe and oil-wealthy Venezuela were reduced to poverty and widespread unrest in recent years. Other nations have suffered similar catastrophic collapse. The causes, led by enormous overspending and resulting indebtedness, are being repeated in the United States. History confirms that continuing to overspend while adding to the nation's indebtedness is the path to disaster. And ignoring both it and its consequences is surely not the way to proceed.

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