



Written by [R. Cort Kirkwood](#) on January 5, 2011

## National Debt Reaches Staggering Level

The national debt of the United States reached a new milestone this week when it surmounted \$14 trillion. You read that right: \$14,000,000,000,000. That's \$45,093 per American citizen. But remember that not all citizens pay taxes, which makes the figure even worse for those who do. The share per taxpayer is \$126,642.

Those figures come from [U.S. Debt Clock.org](#), which performs the unenviable task of tracking the many different ways the country is going broke.

The question is how that debt got where it is, and Terence P. Jeffrey of the Conservative News Service [gave us](#) part 2 of the answer last week. The recently adjourned 111th Congress created more debt for the United States than the first 100 Congresses combined. The figure, Jeffrey reports, is \$3.22 trillion, or \$10,430 per citizen, give or take a few pennies.

Writing in late December, [Jeffrey reported](#) that “[t]he total national debt of \$13,858,529,371,601.09 (or \$13.859 trillion), as recorded by the U.S. Treasury at the close of business on Dec. 22, now equals \$44,886.57 for every man, woman and child in the United States.”

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Unsurprisingly, the previous record holder, [Jeffrey reported](#), was the 110th Congress:

During the 110th Congress — which, according to the Clerk of the House, officially convened on Jan. 4, 2007 and adjourned on Jan. 4, 2009 — the national debt increased \$1.957 trillion. When that Congress adjourned less than two years ago, it claimed the record as the most debt-accumulating Congress in U.S. history. As it turned out, however, its record did not last long.

The government did not accumulate \$3.22 trillion in debt until 1990, when the 101st Congress adjourned. That took 201 years, dating the birth of the United States to 1789, when the federal government officially began operations under its new Constitution.

In other words, the Pelosicrats accomplished in two short years what the general run of corrupt politicians couldn't do in 201.

Yet [this news](#), again, is Part 2 of Jeffrey's surgical evisceration of the leftist politicians to which the voters stupidly entrusted the country in 2008. In September, [Jeffrey disclosed](#) how much the debt increased in the first 19 months of the Obama Regency.

In 18 months plus 30 days, Obama increased the public debt by \$2.53 trillion, more than all presidents





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combined through Ronald Reagan.

At the end of fiscal year 1989, which ended eight months after President Reagan left office, the total federal debt held by the public was \$2.1907 trillion, according to the Congressional Budget Office. That means all U.S. presidents from George Washington through Ronald Reagan had accumulated only that much publicly held debt on behalf of American taxpayers. That is \$335.3 billion less than the \$2.5260 trillion that was added to the federal debt held by the public just between Jan. 20, 2009, when President Obama was inaugurated, and Aug. 20, 2010, the 19-month anniversary of Obama's inauguration. ...

When President Barack Obama took the oath of office on Jan. 20, 2009, the total federal debt held by the public stood at \$6.3073 trillion, according to the Bureau of the Public Debt, a division of the U.S. Treasury Department. As of Aug. 20, 2010, after the first nineteen months of President Obama's 48-month term, the total federal debt held by the public had grown to a total of \$8.8333 trillion, an increase of \$2.5260 trillion.

[Jeffrey's reports](#), combined with that of the debt clock, are depressing. The unfunded liabilities facing taxpayers in the coming years, [according to](#) the debt clock, are not just staggering, they are beyond the imagination. Social Security's liability is \$14.8 trillion. The prescription drug liability, a brainchild of "compassionate conservative" George W. Bush, is \$19.5 trillion. Medicare's unfunded liability is \$77.7 trillion. Grand total: \$112 trillion in unfunded liabilities, or \$1,012,640 per taxpayer.

Neither the national debt, nor national debt plus unfunded liabilities, can be paid off.

As [The Economic Collapse website observes](#):

It is now mathematically impossible for the U.S. government to pay off the U.S. national debt. You see, the truth is that the U.S. government now owes more dollars than actually exist. If the U.S. government went out today and took every single penny from every single American bank, business and taxpayer, they still would not be able to pay off the national debt. And if they did that, obviously American society would stop functioning because nobody would have any money to buy or sell anything.

And the U.S. government would still be massively in debt.

Reason is, although the economy contains something on the order of \$14 trillion, a figure almost equal to the national debt, not all that money really exists. Fractional reserve banking, [The Economic Collapse explains](#), is the reason:

When you go over to your local bank and deposit \$100, they do not keep your \$100 in the bank. Instead, they keep only a small fraction of your money there at the bank and they lend out the rest to someone else. Then, if that person deposits the money that was just borrowed at the same bank, that bank can loan out most of that money once again. In this way, the amount of "money" quickly gets multiplied. But in reality, only \$100 actually exists. The system works because we do not all run down to the bank and demand all of our money at the same time.

According to the New York Federal Reserve Bank, fractional reserve banking can be explained this way....

"If the reserve requirement is 10%, for example, a bank that receives a \$100 deposit may lend out \$90 of that deposit. If the borrower then writes a check to someone who deposits the \$90, the bank receiving that deposit can lend out \$81. As the process continues, the banking system can



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expand the initial deposit of \$100 into a maximum of \$1,000 of money (\$100+\$90+81+\$72.90+...=\$1,000).”

So much of the “money” out there today is basically made up out of thin air...

So if the U.S. government went out today and demanded every single dollar from all banks, businesses and individuals in the United States it would not be able to collect.

And this website [discusses merely](#) the national debt versus the total currency in circulation. It [does not](#) include unfunded liabilities.

As the debt clock’s [tick-tick-ticking figures show](#), total assets in the United States equal just \$72.3 trillion. Subtracting that figure from \$126 trillion — unfunded liabilities plus national debt — leaves the country about \$54 trillion in debt, or \$173,865 per American and, worse, \$488,304 per taxpayer.

Newsflash: We’re financially doomed.



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