

65 Trillion - U.S. Financial Obligations Exceed The Entire World's GDP

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The total liabilities of the United States government, including future social security and medicare payments that the U.S. government is already committed to pay out, now exceed 65 TRILLION dollars, which is more than the entire GDP of the whole world.

According to the 2008 Financial Report of the United States Government, which is an official United States government report, the U.S. actually had a budget deficit of 5.1 trillion dollars in 2008.

So why did the Congressional Budget Office report that the federal budget deficit was only 455 billion dollars (which is certainly a total disaster) in 2008?

The difference lies in accounting. The CBO's figures are based on cash accounting, while the 2008 Financial Report of the United States Government is based on GAAP accounting. GAAP accounting is what is used by all the major firms on Wall Street and it is regarded as a much more accurate reflection of financial reality.

So why is there such a big difference?

Well, what the Congressional Budget Office does is some really bad accounting. When you pay social security taxes, the federal government takes that money and instead of putting it away to pay your social security benefits in the future, it takes that money and spends it however it wants.

So what about the future social security and medicare benefits that the government owes you?

There is no money there for those payments.

The government is using that money right now to make the budget look better.

That's right, you have been conned.

And as bad as the numbers from 2008 look, they do not reflect any significant money from the monstrous financial bailouts that Congress has passed.

So 2009 is going to look MUCH worse.

Pretty picture, eh?

The reality is the the United States of America is a total financial disaster.

Already, 13 banks have already failed in 2009. All of the bailouts certainly don't seem to be helping much yet.

But that doesn't mean that the federal government is going to give up trying to help. It seems a new "bailout" or a new "stimulus" is being passed almost weekly now.

Instead of accepting the fact that we must adopt a lower standard of living and deal with the reality of our massive debt, the politicians are trying to crank up the debt spiral one more time.

The truth is that all of this government spending will help the economy in the short term, but it will make the long term problems of the U.S. government far worse.

So who is going to buy all of this new government debt? China has serious doubts about who is going to buy all of America's new debt. The

reality is that the only way that the government can "bailout" anyone or pay for any "stimulus" bill is to borrow.

So America borrows and borrows and borrows and borrows.

If your own personal finances were like that, how do you think it would end?

Ah, you are starting to get the picture.....

The "American Dream" is quickly becoming the "American Nightmare" and most of the politicians don't have a clue.

What are you going to do when the economy collapses and everything you ever worked for starts coming apart?

It is time for all of us to start thinking about what is truly important.....

<http://thefinalhour.blogspot.com/2009/02/65-trillion-us-financial-obligations.html>