America's Fiscal Collapse

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> "We will rebuild, we will recover, and the United States of America will emerge stronger" (President Barack Obama, State of the Union Address 24 Feb 2009)
>
> "Those of us who manage the public's dollars will be held to account—to spend wisely, reform bad habits, and do our business in the light of day—because only then can we restore the vital trust between a people and their government." President Barack Obama, A New Era of Responsibility, the 2010 Budget)

"Strong economic medicine" with a "human face"

"Promise amid peril." The stated priorities of the Obama economic package are health, education, renewable energy, investment in infrastructure and transportation. "Quality education" is at the forefront. Obama has also promised to "make health care more affordable and accessible", for every American.

At first sight, the budget proposal has all the appearances of an expansionary program, a demand oriented "Second New Deal" geared towards creating employment, rebuilding shattered social programs and reviving the real economy.

The realities are otherwise. Obama's promise is based on a mammoth austerity program. The entire fiscal structure is shattered, turned upside down.

To reach these stated objectives, a significant hike in public spending on social programs (health, education, housing, social security) would be required as well as the implementation of a large scale public investment program. Major shifts in the composition of public expenditure would also be required: i.e. a move out of a war economy, requiring a movement out of military related spending in favour of civilian programs.

In actuality, what we are dealing with is **the most drastic curtailment in public spending in American history**, leading to social havoc and the potential impoverishment of millions of people.

The Obama promise largely serves the interests of Wall Street, the defence contractors and the oil conglomerates. In turn, the Bush-Obama bank "bailouts" are leading America into a spiralling public debt crisis. The economic and social dislocations are potentially devastating.

Obama's budget submitted to Congress on February 26, 2009 envisages outlays for the 2010 fiscal year (commencing October 1st 2009) of $3.94 trillion, an increase of 32 percent. Total government revenues for the 2010 fiscal year, according to preliminary estimates by the Bureau of Budget, are of the order of $2.381 trillion.

The predicted budget deficit (according to the president's speech) is of the order of $1.75 trillion, almost 12 percent of the U.S. Gross Domestic Product.

War and Wall Street

This is a "War Budget". **The austerity measures hit all major federal spending programs with the exception of: 1. Defence and the Middle East War: 2. the Wall Street bank bailout, 3. Interest payments on a staggering public debt.**

The budget diverts tax revenues into financing the war. It legitimizes the fraudulent transfers of tax dollars to the financial elites under the "bank bailouts".

The pattern of deficit spending is not expansionary. We are not dealing with a Keynesian style deficit, which stimulates investment and consumer demand, leading to an expansion of production and employment.

The "bank bailouts" (involving several initiatives financed by tax dollars) constitute a component of government expenditure. Both the Bush and Obama bank bailouts are hand outs to major financial institutions. They do not constitute a positive spending injection into the real economy. Quite the opposite. The bailouts contribute to financing the restructuring of the banking system leading to a massive concentration of wealth and centralization of banking power.

A large part of the bailout money granted by the US government will be transferred electronically to various affiliated accounts including the hedge funds. The largest banks in the US will also use this windfall cash to buy out their weaker competitors, thereby consolidating their position. The tendency, therefore, is towards a new wave of corporate buyouts, mergers and acquisitions in the financial services industry.

In turn, the financial elites will use these large amounts of liquid assets (paper wealth), together with the hundreds of billions acquired through speculative trade, to buy out real economy corporations (airlines, the automobile industry, Telecoms, media, etc), whose quoted value on the stock markets has tumbled.

In essence, a budget deficit (combined with massive cuts in social programs) is required to fund the handouts to the banks as well as finance defence spending and the military surge in the Middle East war. Obama's budget envisages:

> 1. **defense spending of $534 billion for 2010, a supplemental 130 billion dollar appropriation for fiscal 2010 for the wars in Afghanistan and Iraq, and a supplemental $75.5 billion emergency war funding for the rest of the 2009 fiscal year.** Defence spending and the Middle East war,

with various supplemental budgets, is (officially) of the order of 739.5 billion. Some estimates place aggregate defence and military related spending at $ 1 trillion+.

2. A bank bailout of the order of $750 billion announced by Obama, which is added on to the 700 billion dollar bailout money already allocated by the outgoing Bush administration under the Troubled Assets Relief Program (TARP). The total of both programs is a staggering 1.45 trillion dollars to be financed by the Treasury. It should be understood that the actual amount of cash financial "aid" to the banks is significantly larger than $1.45 trillion. (See Table 2 below).

3. Net Interest on the outstanding public debt is estimated by the Bureau of the Budget) at $164 billion in 2010.

The order of magnitude of these allocations is staggering. **Under a "balanced budget" criterion –which has been a priority of government economic policy since the Reagan era–, almost all the revenues of the federal government amounting to $2.381 trillion would be used to finance the bank bailout (1.45 trillion), the war ($739 billion) and interest payments on the public debt ($164 billion). In other words, no money would be left over for other categories of public expenditure.**

TABLE 1 Budgetary allocations to Defence (FY 2009 and 2010), the Bank Bailout and Net Interests on the Public Debt (FY 2010)

$ Billions

Defence including Supplementary allocations; $534 billion (FY 2010), $130 billion supplemental (FY 2010), $75.5 billion emergency funding (FY2009)

739.5

***Bank bailout (TARP plus Obama)**
1450.0

Net Interest
164.0

TOTAL
2353.5

Total Individual (Federal) Income Tax Revenues (FY 2010)
1061.0

Total Federal Government Revenue (FY 2010)
2381.0

Source: Bureau of the Budget and official statements. See A New Era of Responsibility: The 2010 Budget
See also Office of Management and Budget

* The officially announced bank bailouts to be financed from Treasury Funds. The timing of disbursements could take place over more than one fiscal years fiscal years. The actual value of bank bailout cash injections is substantially higher.

The Budget Deficit

These three categories of expenditure (Defence, Bank Bailout and Interest on the Public Debt) would virtually swallow up the entire 2010 federal government revenue of 2381.0. billion dollars

Moreover, as a basis of comparison, all the revenue accruing from individual federal income taxes ($1.061 trillion), (FY 2010) namely all the money households across America pay annually in the form of federal taxes, will not suffice to finance the handouts to the banks, which officially are of the order of $1.45 trillion. This amount includes the $700 billion (granted during FY 2009) under the TARP program plus the proposed $750 billion granted by the Obama administration.

While TARP and Obama's proposed bailout are to be disbursed over FY 2009 and 2010, they nonetheless represent almost half of total government expenditure (half of Obama's $3.94 trillion budget for fiscal 2010), which is financed by regular sources of revenue ($2381 billion) plus a staggering $1.75 trillion budget deficit, which ultimately requires the issuing of Treasury Bills and government bonds.

The feasibility of a large short-term expansion of the public debt at a time of crisis is yet another matter, particularly with interest rates at abysmally low levels.

The budget deficit is of the order of $1.75 trillion. Obama acknowledges a 1.3 trillion-dollar budget deficit, inherited from the Bush administration. In actuality, the budget deficit is much larger.

The official figures tend to underestimate the seriousness of the budgetary predicament. The $1.75 trillion dollar budget deficit figure is questionable because the various amounts disbursed under TARP and other related bank bailouts including Obama's announced $750 billion aid program to financial institutions are not acknowledged in the government's expenditure accounts.

> "The aid hasn't been requested formally, but appears in a line item "for potential additional financial stabilization efforts," according to the budget overview. The budget office calculated a $250 billion net cost to taxpayers this year, because it anticipates it would eventually recoup some, though not all, of the money expended to help financial companies.
>
> The funds would come on top of the $700 billion rescue package approved last October by Congress. The White House budgets no money for fiscal 2010 and beyond for such aid." (Bloomberg, February 27, 2010)

Fiscal Collapse

A major crisis of the federal fiscal structure is occurring. The multibillion dollar allocations to the War Budget and to the Wall Street Bank Bailout program backlash on all other categories of public expenditure.

The Bush administration's $700 billion bailout under the Troubled Asset Relief Program (TARP) was approved by Congress in October. TARP is but the tip of the iceberg. A panoply of bailout allocations in addition to the $ 700 billion were decided upon prior to Obama assuming office. In November, the federal government's bank rescue program was estimated at a staggering 8.5 trillion dollars, an amount equivalent to more than 60% of the US public debt estimated at 14 trillion (2007). (See table 2 below)

Meanwhile, under the Obama budget proposal, 634 billion dollars are allocated to a reserve fund to finance universal health care. At first sight, it appears to be a large amount. But it is to be spent over a ten year period, — i.e. a modest annual commitment of 63.4 billion.

Public spending will be slashed with a view to curtailing a spiralling budget deficit. Health and education programs will not only remain heavily underfunded, they will be slashed, revamped and privatized. The likely outcome is the outright privatization of public services and the sale of State assets including public infrastructure, urban services, highways, national parks, etc. Fiscal collapse leads to the privatization of the State.

The fiscal crisis is further exacerbated by the compression of tax revenues resulting from decline of the real economy. Unemployed workers do not pay taxes nor do bankrupt firms. The process is cumulative. The solution to the fiscal crisis becomes the cause of further collapse.

Structure of The Public Debt

This large scale appropriation of liquid money assets under the bank bailouts by a handful of financial institutions serves to increase the public debt overnight.

When the US Treasury allocates 700 billion dollars to the Troubled Assets Relief Program, this amount constitutes a budgetary outlay which inevitably must be financed from within the structure of government revenues and expenditures.

Unless all other categories of public expenditure including health, education and social services are slashed, the various outlays under the bank bailout will require running a massive budget deficit which in turn will increase the US public debt.

America is the most indebted country on earth. The US (federal government) public debt is currently of the order of $14 trillion. This does not include mounting public debts at the state and municipal levels.

This US dollar denominated (federal) debt is composed of outstanding treasury bills and government bonds. The public debt, also called "the national debt" is the amount of money owed by the federal government to holders of U.S. debt instruments.

US debt instruments are held by American residents as part of their savings portfolio, companies and financial institutions, US government agencies, foreign governments, individuals in foreign countries. but does not include intergovernmental debt obligations or debt held in the Social Security Trust Fund. Types of securities held by the public include, but are not limited to, Treasury Bills, Notes, Bonds, TIPS, United States Savings Bonds, and State and Local Government Series securities.

The proposed solution becomes the cause of the crisis. The 700 billion bailout under the Troubled Asset Relief Program (TARP) combined with the proposed Obama $750 billion aid to financial services industry is but the tip of the iceberg. A panoply of bailout allocations in addition to the 700 billion have been decided upon.

Table 2

Follow the $8.5 trillion: Breakdown of the government's rescue funds

FEDERAL RESERVE PROGRAMS	Maximum commitment	Tapped so far
Commercial paper program Buys short-term notes from companies, which use the proceeds to pay bills	$1.8 trillion	$271 billion
Term auction facility Provides a negotiated rate for banks to borrow from the Fed	$900 billion	$415 billion
Other assets	$606 billion	$606 billion
Finance company debt purchases Buys debt issued or backed by government-chartered housing-finance companies including Fannie Mae and Freddie Mac in an effort to reduce their debt costs and thereby lower mortgage rates	$600 billion	$0
Money market investor funding facility Buys assets from financial companies to bolster money-market mutual funds	$540 billion	$0
Citigroup bailout The Fed agreed to guarantee $291 billion of Citigroup's toxic assets	$291 billion	$291 billion
Term securities lending Allows financial firms to borrow Treasury bonds in exchange for collateral	$250 billion	$190 billion
Term asset-backed loan facility Lends money to owners of top-rated securities that are backed by school, car, credit-card and small business loans	$200 billion	$0
Other credit extensions Loan to American International Group	$123 billion	$87 billion
Discount window Lends directly to commercial banks	$92 billion	$92 billion
Commercial paper program 2 Lends to banks so they can buy commercial paper from mutual funds	$62 billion	$62 billion
Discount window 2 Lends directly to all financial firms, including securities firms	$50 billion	$50 billion
Bear Stearns assets The Fed guaranteed $29 billion of the firm's assets when JPMorgan Chase bought it	$29 billion	$27 billion
Overnight loans Makes one-day loans to banks based on collateral	$10 billion	$10 billion
Secondary credit Lends at higher interest rates when collateral is weaker	$118 million	$118 million
Federal Reserve total	**$5.5 trillion**	**$2.1 trillion**
FEDERAL DEPOSIT INSURANCE CORP. PROGRAMS	**Maximum commitment**	**Tapped so far**
Loan guarantees Takes the risk out of bank-to-bank lending	$1.4 trillion	$0
Guarantee to GE Capital Supports the lending arm of General Electric	$139 billion	$139 billion
Citigroup bailout FDIC agreed to guarantee $10 billion of Citigroup's toxic assets	$10 billion	$10 billion
Federal Deposit Insurance Corp. total	**$1.5 trillion**	**$149 billion**
TREASURY DEPARTMENT PROGRAMS	**Maximum commitment**	**Tapped so far**
Troubled Asset Relief Program Approved by Congress	$700 billion	$375 billion
Stimulus package Checks mailed to taxpayers last spring	$168 billion	$168 billion
Treasury Exchange Stabilization Fund Buys and sells short-term notes to moderate fluctuations in foreign currency exchange rates	$50 billion	$50 billion
Tax breaks for banks	$29 billion	$29 billion
Treasury Department total	**$1.1 trillion**	**$597 billion**
FEDERAL HOUSING ADMINISTRATION PROGRAM	**Maximum commitment**	**Tapped so far**
Hope for Homeowners Provides loan guarantees for struggling mortgage borrowers	$300 billion	$300 billion
Federal Housing Administration total	**$300 billion**	**$300 billion**
U.S. Government total	**$8.5 trillion**	**$3.2 trillion**

Sources: Federal Reserve; Federal Deposit Insurance Corporation; Federal Housing Administration; Treasury Department

Bloomberg

The Bush Administration's " Bank Bailout"

The government's bank rescue program under the Bush administration was estimated at a staggering 8.5 trillion dollars, an amount equivalent to 60% of the Total Gross Federal debt of $14.078 trillion (2010) (See Table 2 above). This amount does not include the "aid" to financial institutions proposed by the Obama administration, including an additional 750 billion dollars in Obama's February 2009 budget proposal. The size of these allocations of liquid assets endangers the very structures of the fiscal and monetary system.

The total of Bush bank bailouts (8.5 trillion) can be broken down into funds granted by the Federal Reserve, the Treasury, the Federal Deposit Insurance Corporation and the Federal Housing Authority.

The handouts to the financial institutions financed out of Treasury are government expenditures, to be met either through tax revenues or through the emission of public debt instruments.

The disbursements under TARP are categorized by the Bureau of the Budget as part of "a mandatory program" under an Act of the US Congress.. The Treasury's liability, which includes the controversial Troubled Assets Relief Program, was estimated in November 2008 at 1.1 trillion dollars. (See Table 2) Further Treasury allocations, which serve to heighten the burden of the public debt have been envisaged by the Obama administration

Spiralling Public Debt Crisis

Is the Treasury in a position to finance this mounting budget deficit officially tagged at 1.75 billion through the emission of Treasury bills and government bonds?

The largest budget deficit in US history coupled with the lowest interest rates in US history: With the Fed's " near zero" percent discount rate, the markets for US dollar denominated government bonds and Treasury bills are in straightjacket. Moreover, the essential functions of savings (which is central to the functioning of a national economy) is in crisis. .

Who wants to invest in US government debt? What is the demand for Treasury bills at exceedingly low interest rates?

Table 3 Interest Rates in Percent

Treasury securities
Updated 2/25/2009

This week
Month ago
Year ago

One-Year Treasury Constant Maturity
0.64
0.43
2.10

91-day T-bill auction avg disc rate
0.300
0.150
2.160

182-day T-bill auction avg disc rate
0.495
0.350
2.070

Two-Year Treasury Constant Maturity
0.95
0.77
2.04

Five-Year Treasury Constant Maturity
1.79
1.58
2.89

Ten-Year Treasury Constant Maturity
2.75
2.56
3.85

One-Year MTA
1.633
1.823
4.326

One-Year CMT (Monthly)
0.44
0.49
2.71

Source Bankrate.com

The market for US dollar denominated debt instruments is potentially at a standstill, which means that **the Treasury lacks the ability to finance its mammoth budget deficit through public debt operations, leading the entire budgetary process into a quandary.**

The question is whether China and Japan will continue to purchase US dollar denominated debt instruments. Washington is running a public relations campaign to lure Asian investors into buying T-bills and US government bonds. .

With the markets for US dollar denominated debt (both domestically and internationally) in crisis, further pressure will be exerted on the Treasury to slash (civilian) public expenditure to the bone, exact user fees for public services and sell off public assets, including State infrastructure and institutions. In all likelihood, this crisis is leading us to the privatization of the State, where activities hitherto under government jurisdiction will be transferred into private hands.

Who will be buying State assets at rock bottom prices? The financial elites, which are also the recipients of the bank bailout.

Consolidation of the Banks

A massive amount of liquidity has been injected into the financial system, from the bailouts but also from pension funds, individual savings, etc.

The stated objective of the bank bailout programs is to alleviate the banks' burden of bad debts and non-performing loans. In actuality what is happening is that these massive amounts of money are being used by a handful of institutions to consolidate their position in global banking.

The exposure of the banks, largely the result of derivative trade, is estimated in the tens of trillions of dollars, to the extent that the amounts and guarantees granted by the Treasury and the Fed will not resolve the crisis. Nor are they intended to resolve the crisis.

The mainstream media suggests that the banks are being nationalized as a result of TARP, In fact, it is exactly the opposite: the State is being taken over by the banks, the State is being privatized. The establishment of a Worldwide unipolar financial system is part of the broader project of the Wall Street financial elites to establish the contours of a world government.

In a bitter irony, the recipients of the bailout under TARP and Obama's proposed $750 billion aid to financial institutions are the creditors of the federal government. The Wall Street banks are the brokers and underwriters of the US public debt, although they hold only a portion of the debt, they transact and trade in US dollar denominated public debt instruments Worldwide.

They act as creditors of the US State. They evaluate the creditworthiness of the US government, they rank the public debt through Moody's and Standard and Poor. They control the US Treasury, the Federal Reserve Board and the US Congress. They oversee and dictate fiscal and monetary policy, ensuring that the State acts in their interest.

Since the Reagan era, Wall Street dominates most areas of economic and social policy. It sets the budgetary agenda, ensuring the curtailment of social expenditures. Wall Street preaches balanced budgets but the practice has been lobbying for the elimination of corporate taxes, the granting of handouts to corporations, tax write-offs in mergers and acquisitions etc, all of which lead to a spiralling public debt.

Circular and Contradictory Relationship

The Federal Reserve system is a privately owned central bank. While the Federal Reserve Board is a government body, the process of money creation is controlled by the 12 Federal Reserve Banks, which are privately owned.

The shareholders of the Federal Reserve banks (with the New York Federal Reserve Bank playing a dominant role) are among America's most powerful financial institutions.

While the Federal Reserve can create money "out of thin air", the multibillion outlays of the Treasury (including the TARP program) will require the emission of public debt in the form of Treasury Bills and government bonds. Part of these T-Bills will of course also be held by the

Fed.

US financial institutions oversee the US public debt. They are involved in the sale of treasury bills and government bonds on financial markets in the US and around the World. But they also hold part of the public debt. In this regard, they are the creditors of the US government. Part of this increased public debt required to rescue the banks will be financed or brokered by the same financial institutions which are the object of the bank rescue plan.

We are dealing with a pernicious circular relationship. When the banks pressured the Treasury to assist them in the form of a major bank rescue operation, it was understood from the outset that the banks would in turn assist the Treasury in financing the handouts of which they are the recipients.

To finance the bank bailout, the Treasury needs to run a massive budget deficit, which in turn requires a staggering increase of the US public debt.

Public opinion has been misled. The US government is in a sense financing its own indebtedness: the money granted to the banks is in part financed by borrowing from the banks.

The banks lend money to the government and with the money they lend to the government, the Treasury finances the bailout. In turn, the banks impose conditionalities on the management of the US public debt. They dictate how the money should be spent. They impose "fiscal responsibility"; they dictate massive cuts in social expenditures which result in the collapse and/or privatization of public services. They impose the privatization of urban infrastructure, roads, sewer and water systems, public recreational areas, everything is up for privatization.

The recipient banks are the beneficiaries as well as the creditors. As creditors, they will oblige the government a) to slash expenditures b) to run up the public debt through the issuing of treasury bills and government bonds.

This public debt crisis is all the more serious because the US federal government does not control monetary policy. All public debt operations go through the Federal reserve, which is in charge of monetary policy, acting on behalf of private financial interests. The government as such has no authority over money creation. This means that public debt operations essentially serve the interests of the banks.

Continuity from Bush to Obama

The Obama stimulus program constitutes a continuation of the Bush administration's bank bailout packages. The proposed policy solution to the crisis becomes the cause, ultimately resulting in further real economy bankruptcies and a corresponding collapse of the standard of living of Americans.

Both the Bush and Obama bank bailouts are intended to come to the rescue of troubled financial institutions, to ensure the payment of "inter-bank" debt operations. In practice, large amounts of money transit through the banking system, from the banks to the hedge funds, to offshore banking havens and back to the banks.

The government and the media tend to focus on the ambiguous notion of " inter-bank debts". The identity of the creditors is rarely mentioned.

Multi-billion dollar transfers are conducted electronically from one financial entity to another. Where is the money going? Who is collecting these multibillion debts, which are in large part the consequence of financial manipulation and derivative trade?

There are indications that the financial institutions are transferring billions of dollars into their affiliated hedge funds. From these hedge funds they can then channel money capital towards the acquisition of real assets.

Through what circuitous financial mechanisms were these debts created? Where is the bailout money going? Who is cashing in on the multibillion dollar government bailout money? This process is contributing to an unprecedented concentration of private wealth.

Concluding Remarks

Financial manipulation is an integral part of the New World Order. It constitutes a powerful means to accumulate wealth. Under the present political arrangement, those responsible for monetary policy are quite deliberately serving the interests of the financiers, to the detriment of working people, leading to economic dislocation, unemployment and mass poverty.

This article has focussed on how financial manipulation has served to shatter the structure of US public expenditure.

More generally, this restructuring of global financial markets and institutions (alongside the pillage of national economies) has enabled the accumulation of vast amounts of private wealth – a large portion of which has been amassed as a result of strictly speculative transactions.

This critical drain of billions of dollars of household savings and state tax revenues paralyses the functions of government spending and spurs the accumulation of a public debt, which can no longer be financed through the emission of US dollar denominated debt instruments.

What we are dealing with is the fraudulent transfer and confiscation of lifelong savings and pension funds, the fraudulent appropriation of tax revenues to finance the bank bailouts, etc. To understand what has happened: follow the money trail of electronic transfers with a view to establishing where the money has gone. What is at stake is the outright criminalization of the financial system: “financial theft” on an unprecedented scale.

The monetary system, which is integrated into the State budgetary process, has been destabilized. The fundamental relationship between the monetary system and the real economy is in crisis.

The creation of money “out of thin air” threatens the value of the US dollar as an international currency. Similarly, the financing of a mammoth US budget deficit through dollar denominated debt instruments is impaired as a result of exceedingly low interest rates. Moreover, the process of household savings is undermined with interest rates close to zero.

What we have dealt with in this article is one central aspect of an evolving process of global financial collapse.

The international payments system is in crisis. The economic prospects are terrifying.

Bankruptcies in the US, Canada, the European Union are occurring at an alarming rate. Country level exports have collapsed, leading to a contraction of international trade Reports from the Asian economies indicate a massive increase in unemployment. In China's Pearl River basin in Southern Guangdong province's industrial export processing economy, some 700,000 workers were laid off in January. (China Morning Post, Feb 6, 2009). In Japan, industrial output has collapsed by more than 20 percent since December. In the Philippines, a country of 90 million people, exports collapsed by more than 40 percent in December.

Financial Disarmament

There are no solutions under the prevailing global financial architecture. Meaningful policies cannot be achieved without radically reforming the workings of the international banking system.

What is required is an overhaul of the monetary system including the functions and ownership of the central bank, the arrest and prosecution of those involved in financial fraud both in the financial system and in governmental agencies, the freeze of all accounts where fraudulent transfers have been deposited, the cancellation of debts resulting from fraudulent trade and/or market manipulation.

People across the land, nationally and internationally, must mobilize. This struggle to democratise the financial and fiscal apparatus must be broad-based and democratic encompassing all sectors of society at all levels, in all countries. What is ultimately required is to disarm the financial establishment:

> -confiscate those assets which were obtained through fraud and financial manipulation.
>
> -restore the savings of households through reverse transfers
>
> -return the bailout money to the Treasury, freeze the activities of the hedge funds. .
>
> – freeze the gamut of speculative transactions including short-selling and derivative trade.

ANNEX

Documents

Budget of the United States Government

Fiscal Year 2010 The Budget Documents

A New Era of Responsibility: The 2010 Budget

The tables contained in Annex can also be consulted by clicking:

Summary Tables

See also:

http://www.budget.gov

http://www.gpoaccess.gov/usbudget/fy10/pdf/fy10-newera.pdf

Table S–1. Budget Totals

(In billions of dollars and as a percent of GDP)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals 2010-2014	Totals 2010-2019
Budget Totals in Billions of Dollars:														
Receipts	2,524	2,186	2,381	2,713	3,081	3,323	3,500	3,675	3,856	4,042	4,234	4,446	14,997	35,250
Outlays	2,983	3,938	3,552	3,625	3,662	3,856	4,069	4,258	4,493	4,678	4,868	5,158	18,764	42,219
Deficit	459	1,752	1,171	912	581	533	570	583	637	636	634	712	3,767	6,969
Debt held by the public	5,803	8,364	9,509	10,436	10,985	11,505	12,070	12,659	13,297	13,932	14,557	15,370		
Debt net of financial assets	5,297	6,943	8,072	8,960	9,541	10,073	10,642	11,224	11,860	12,495	13,129	13,840		
Gross domestic product (GDP)	14,222	14,240	14,729	15,500	16,470	17,498	18,386	19,205	20,060	20,952	21,884	22,858		
Budget Totals as a Percent of GDP:														
Receipts	17.7%	15.4%	16.2%	17.5%	18.7%	19.0%	19.0%	19.1%	19.2%	19.3%	19.3%	19.5%	18.1%	18.7%
Outlays	21.0%	27.7%	24.1%	23.4%	22.2%	22.0%	22.1%	22.2%	22.4%	22.3%	22.2%	22.6%	22.8%	22.6%
Deficit	3.2%	12.3%	8.0%	5.9%	3.5%	3.0%	3.1%	3.0%	3.2%	3.0%	2.9%	3.1%	4.7%	3.9%
Debt held by the public	40.8%	58.7%	64.6%	67.3%	66.7%	65.8%	65.6%	65.9%	66.3%	66.5%	66.5%	67.2%		
Debt net of financial assets	37.2%	48.8%	54.8%	57.8%	57.9%	57.6%	57.9%	58.4%	59.1%	59.6%	60.0%	60.5%		

Table S–4. Proposed Budget by Category

(In billions of dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals 2010–2014	Totals 2010–2019
Outlays:														
Appropriated ("discretionary") programs:														
Department of Defense (051) including cost of overseas contingency operations	593	666	673	614	604	609	618	631	644	659	674	689	3,118	6,414
Other appropriated programs	528	613	695	672	653	661	668	682	697	711	727	745	3,349	6,911
Subtotal, appropriated programs	1,120	1,279	1,368	1,286	1,257	1,269	1,286	1,313	1,341	1,370	1,401	1,434	6,467	13,325
Mandatory programs:														
Social Security	612	662	695	719	747	787	835	887	944	1,006	1,070	1,139	3,784	8,831
Medicare	386	425	453	498	500	555	603	650	723	756	781	872	2,608	6,391
Medicaid	201	259	290	274	280	299	322	347	374	403	435	468	1,464	3,492
Troubled Asset Relief Program (TARP)	......	247	......	......	......	......	......	......	......	......	......	......	......	......
Placeholder for potential additional financial stabilization efforts	......	250	......	......	......	......	......	......	......	......	......	......	......	......
Other mandatory programs	411	673	571	549	482	491	527	527	545	552	562	594	2,620	5,400
Subtotal, mandatory programs	1,610	2,516	2,009	2,040	2,009	2,132	2,287	2,412	2,587	2,717	2,848	3,073	10,477	24,113
Net interest	253	139	164	283	378	434	474	509	539	564	590	622	1,732	4,555
Disaster costs [1]	......	4	11	16	18	20	23	25	26	27	29	30	88	226
Total outlays	2,983	3,938	3,552	3,623	3,662	3,856	4,069	4,258	4,493	4,678	4,868	5,158	18,764	42,219
Receipts:														
Individual income taxes	1,146	958	1,061	1,243	1,393	1,516	1,625	1,719	1,817	1,923	2,033	2,152	6,837	16,480
Corporation income taxes	304	165	222	302	369	414	423	455	474	494	518	544	1,730	4,215
Social insurance and retirement receipts:														
Social Security payroll taxes	658	654	682	719	756	804	843	879	926	963	1,005	1,049	3,804	8,627
Medicare payroll taxes	194	191	196	210	222	235	247	258	272	283	295	308	1,111	2,527
Unemployment insurance	40	44	53	58	65	67	66	60	57	62	57	62	309	606
Other retirement	9	9	9	8	9	9	9	9	9	9	9	9	43	86
Excise taxes	67	71	77	75	78	79	80	81	82	83	83	84	390	804
Estate and gift taxes	29	26	20	23	25	27	27	29	31	33	36	38	121	288
Customs duties	28	24	23	28	33	37	40	43	46	47	49	50	163	397
Deposits of earnings, Federal Reserve System	34	28	22	29	36	39	42	43	45	47	48	50	168	402
Climate revenues	......	......	......	......	79	79	80	80	81	82	82	83	237	646
Other miscellaneous receipts	17	16	16	16	17	17	18	17	17	17	17	18	85	172
Total receipts	2,524	2,186	2,381	2,713	3,081	3,323	3,500	3,675	3,856	4,042	4,234	4,446	14,997	35,250
Deficit	**459**	**1,752**	**1,171**	**912**	**581**	**533**	**570**	**583**	**637**	**638**	**634**	**712**	**3,767**	**6,969**

Table S–4. Proposed Budget by Category—Continued
(In billions of dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals 2010–2014	Totals 2010–2019
On-budget deficit	642	1,890	1,312	1,073	762	734	777	789	848	840	831	899	4,658	8,865
Off-budget surplus (–)	–183	–138	–140	–161	–180	–202	–208	–206	–211	–203	–197	–187	–891	–1,896
Memorandum, funding (budget authority) for appropriated programs:														
Department of Defense (051) including funding for overseas contingency operations	666	662	664	592	601	611	625	639	653	668	684	699	3,092	6,435
Other appropriated programs	554	833	599	609	640	656	674	688	703	718	734	752	3,176	6,770
Total, appropriated funding	1,219	1,495	1,263	1,200	1,240	1,267	1,298	1,326	1,357	1,386	1,417	1,451	6,268	13,205

[1] These amounts represent the statistical probability of a major disaster requiring federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

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