

Should anyone worry about a \$22 trillion national debt?

By MARTIN CRUTSINGER

AP Economics Writer

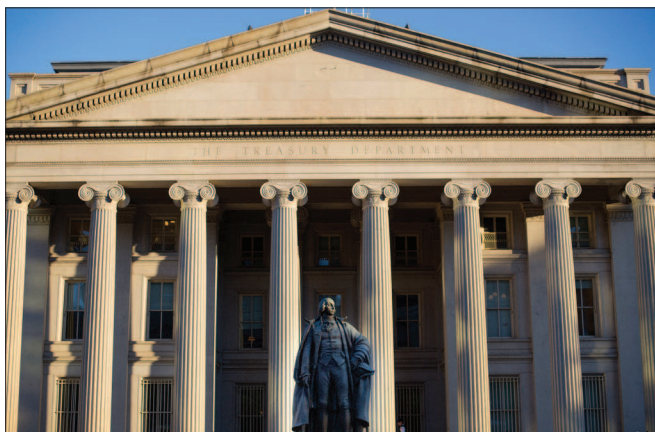
WASHINGTON

The government surpassed a dubious milestone this week: Its debt topped \$22 trillion for the first time.

Piles of federal debt have been growing ever higher for years, fueled by accumulating annual deficits, which themselves have been driven by tax cuts, government spending increases and the mounting costs of Medicare and Social Security and interest on the debt itself.

Under President Donald Trump, the national debt has topped \$20 trillion (September 2017) \$21 trillion (March 2018) and now \$22 trillion. As a presidential candidate, Trump had assailed the \$1 trillion annual deficits under President Barack Obama and had said that as president he could wipe out all the debt. Now, Trump is projecting that his own annual deficits will top \$1 trillion for a time.

So just what is the



AP Photo/Pablo Martinez Monsivais, File

This June 8, 2017, file photo, shows the U.S. Treasury Department building in Washington.

national debt, why does it keep rising and how worried should we be about it? Here are some questions and answers:

Q: What makes up the national debt?

A: It's the total the government has borrowed to finance its operations beyond what it's collected over the years in revenue from taxes and other sources. The debt has become a perennial source of hand-wringing because of, among other things, con-

cern that it will paralyze the nation's ability to finance its future operations and will hamstring generations to come. Not since the late 1990s and early 2000s has the U.S. government run a surplus, a luxury that allows it to reduce the debt and finance other needs.

Q: How does the debt differ from the deficit?

A: The deficit is the gap between what the government collects in revenue and what it spends in any particular budget year. The accu-

mulation of these annual budget deficits, combined into one, represent the debt. Because the government typically spends more than it collects, it must borrow to make up the difference. For the 2018 budget year, which ended Sept. 30, the deficit totaled \$779 billion. That was the largest gap between spending and revenue since 2012, when the deficit was \$1.1 trillion. That year, during the Obama administration, the government had increased spending and cut taxes to continue stimulating the economy in the aftermath of the 2008 financial crisis and the Great Recession.

Q: Who holds all the debt the government has borrowed?

A: One misperception is that most of the U.S. debt is held by foreigners — in China, Japan and elsewhere. But in fact America's biggest creditor is ... America. Sixty-two percent of the federal debt is held in the United States — by the Federal Reserve, the Social Security system, banks, pension

plans, mutual funds, insurance companies and individual investors.

The largest single chunk — \$5.9 trillion, about one-fourth of the total — is money the government owes itself in the form of trust funds. The biggest is the Social Security trust fund. The government has drawn on this money, which is earmarked to pay Social Security benefits, to finance other expenses. But once that money is needed to pay Social Security benefits, the government must replenish the amounts it borrowed — with interest. If it's still running deficits, the only way to do this is to take on more debt.

The debt held by the public — \$16.2 trillion — is about three-fourths of the total. It's held by investors in both the United States and abroad, ranging from individuals and pension funds to foreign central banks.

China is the largest foreign owner of debt. It holds roughly \$1.2 trillion in Treasury securities, followed by Japan, which holds about \$1 trillion, according to the

latest accounting.

Q: With interest rates still so low, how much concern is there about the size of the national debt?

A: That depends on whom you ask. Many economists say they fear that the rising debt represents a time bomb that will eventually explode and derail the economy. That is especially true, they argue, in light of projections that the annual deficits are once again headed above \$1 trillion and will be stuck at those levels for years as the government pays the rising costs of Social Security benefits and Medicare health insurance for vast numbers of retiring baby boomers.

But some economists counter that with interest rates so low, the government shouldn't be worried about reducing the deficits — at least not now. Instead, they contend, the government should focus on making worthwhile public investments in such areas as education, infrastructure, health care and environmental protections.

Judge finds Manafort lied to investigators in Russia probe

By CHAD DAY

Associated Press

WASHINGTON — Former Trump campaign chairman Paul Manafort intentionally lied to investigators and a federal grand jury in the special counsel's Russia probe, a judge ruled on Wednesday.

U.S. District Judge Amy Berman Jackson's decision was another loss for Manafort, a once-wealthy political consultant who rose to lead Donald Trump's 2016 campaign and now faces years in prison in two criminal cases brought in special counsel Robert Mueller's investigation.

The four-page ruling hurts Manafort's chance of receiving a reduced sentence, though Jackson said she would decide the exact



AP Photo/Kevin Wolf

Kevin Downing, Paul Manafort's defense attorney, right, walks to the entrance of federal court on Wednesday in Washington. At left is attorney Tim Wang, another member of the defense team for Manafort.

impact during his sentencing next month. It also resolves a dispute that had provided new insight into how Mueller views Manafort's actions as part of the broader probe

of Russian election interference and any possible coordination with Trump associates.

Prosecutors have made clear that they remain deeply

interested in Manafort's interactions with a man the FBI says has ties to Russian intelligence. But it's unclear exactly what has drawn their attention and whether it relates to election interference because much of the dispute has played out in secret court hearings and blacked out court filings.

In her ruling Wednesday, Jackson provided few new details as she found there was sufficient evidence to say Manafort broke the terms of his plea agreement by lying about three of five matters that prosecutors had singled out. The ruling was a rejection of Manafort's attorneys' argument that he hadn't intentionally misled investigators but rather forgot some details until his memory was refreshed.

The judge found that

Manafort did mislead the FBI, prosecutors and a federal grand jury about his interactions with Konstantin Kilimnik, the co-defendant who the FBI says has ties to Russian intelligence. Prosecutors had accused Manafort of lying about several discussions the two men had including about a possible peace plan to resolve the Russia-Ukraine conflict in Crimea.

During a sealed hearing last week, Mueller prosecutor Andrew Weissmann said one of the discussions — an Aug. 2, 2016, meeting at the Grand Havana Room club and cigar bar in New York — went to the "larger view of what we think is going on" and what "we think the motive here is."

"This goes, I think, very much to the heart of what the

Special Counsel's Office is investigating," Weissmann said, according to a redacted transcript of the hearing. He added: "That meeting and what happened at that meeting is of significance to the special counsel."

The meeting occurred while Manafort was still in a high-ranking role in the Trump campaign.

Weissmann said investigators were also interested in several other meetings between Kilimnik and Manafort including when Kilimnik traveled to Washington for Trump's inauguration in January 2017. And Manafort's attorneys accidentally revealed weeks ago that prosecutors believe Manafort shared polling data with Kilimnik during the 2016 presidential campaign.

Highlights of the bill to avoid shutdown

Associated Press

WASHINGTON — It's not just about the border wall.

The border security issues that sparked a 35-day government shutdown are but one element of a massive \$330 billion-plus spending measure that wraps seven bills into one, funding nine Cabinet agencies, including the departments of Justice, State, Agriculture and

Commerce. End-stage fights over unrelated policy provisions produced a deadlock, so efforts to extend soon-to-expire laws like the federal flood insurance program were dropped.

Highlights include:

A billion here, a billion there: Most of the bill deals with spending minutia such as a \$1 billion increase to gear up for the 2020 census, an almost 4 percent budget increase for NASA and an

\$11.3 billion budget for the IRS. Most agencies are kept relatively level.

Federal employee pay: Trump has proposed a pay freeze for civilian federal employees, but the measure would guarantee those workers a 1.9 percent increase.

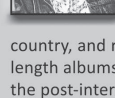
Big trucks: For fans of the truly obscure, there's a provision to exempt sugar beet trucks in rural Oregon from length limits.



TUESDAY, FEBRUARY 19TH, 2019 AT 7:00 P.M.
 BLUE MOUNTAIN COMMUNITY COLLEGE (BMCC), 2411 NW CARDEN, PENDLETON, OR.
 SCIENCE & TECHNOLOGY BUILDING, ROOM ST-200
 OUR MUSIC FEATURING: JD KINDLE AND FRIENDS



J.D. Kindle is the middle of his fourth season as the Executive Director of the Oregon East Symphony (Pendleton, OR). He was born and raised in Pendleton to two parents who were both nurses (his father being the first male nurse at St Anthony Hospital's ER). He graduated from Pendleton High School in 2001 and received his Associate of Arts from Blue Mountain Community College in 2003. Prior to OES, J.D. has worked as a software developer, GIS technician, agricultural laborer, and taxi driver.



Outside of his work with OES J.D. is a highly active singer-songwriter-performer in the folk, country, and rock genres. With his longtime backing band The Eastern Oregon Playboys he has released four full length albums. He is also a contributing arts and culture columnist for the East Oregonian newspaper and directs the post-internet publication project Honey Mushroom.

Fred Hill Sr. is a member of the Confederated Tribes of the Umatilla Indian Reservation and works as the Cultural Historian at Nixya'awii Community School. He is a Umatilla Language Speaker and frequent pow wow MC.

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