

Are We Headed For A Financial Collapse?

2017-05-24 08:21:41 By Bill White

I've been hearing predictions of a financial collapse for a long time now.

It seems that every few months, a new "expert," either real or manufactured for marketing purposes, is making their own prognostications about our economy and none of them are good.

I've even made a few of my own, based upon my own understanding of our country and its economy, later finding that my understanding isn't as great as I think.

Nevertheless, the sheer volume of reports about our country's economy going down the tubes tends to lend credibility to the possibility. Of course, we have to watch out about accepting repetition as grounds for proclaiming something as true. After all, if we believed all the polls and pundits, Hillary Clinton would be occupying the White House now.

Currently, there is little possibility of any country in the world catching up with us economically or militarily. So, that leaves us only two possibilities:

- the United States is taken out by hostile action
- the United States self-destructs.

Either of these are possible. While there is no country or two countries in the world which can match us for military might, there are still several other ways that we could be taken out by hostile action.

All of those revolve around the vulnerability of our electrical grid. Take down the grid and you take down the USA, plain and simple. That can be accomplished either by an EMP or by cyberwarfare; either of which could be accomplished even by smaller countries, with the right sort of planning and resources.

Why Are We Close to Self-destruction

It is the possibility of self-destruction that I want to talk about today. Democrats, as well as those who are part of the "deep state" want to see the presidency of Donald Trump destroyed and for him to resign in disgrace.

The hatred of the liberal left for anything and anyone conservative has reached a fever pitch in recent years. While they constantly accuse those on the right of partisanship, it is the left who is practicing that partisanship on a daily basis.

We saw that throughout the presidency of Barack Obama and we see it in the way they have changed to being the party of opposition since Donald Trump took office.

The whole "Russian collusion" narrative being pushed by the liberal media is aimed at destroying Trump's presidency and they don't care about the fallout.

Yet they are willing to put the country through that, just to get their way. Likewise, they are willing to work hard at doing everything they can to obstruct the appointment of Trump's cabinet and other

presidential appointments, even if it hurts the country, just to make things more difficult for the President.

Trump might win that war, although going through it will be hard on the country. But he will need some support out of Congress, if he is going to fulfill his [campaign promises](#), especially that of draining the swamp.

The Budget Battle

As we saw in the recent budget battle, Republicans in Congress are not willing to support the President. Trump's budget proposal could be seen as a radical shift from business as normal; but he didn't get any of what he asked for.

Rather, the Republicans, who control Congress, gave the Democrats everything they wanted, and blocked Trump on all points. The only concessions they received were a little more money for Homeland Security and about 2/3 of the increase that Trump asked for in the military's budget.

<https://www.youtube.com/watch?v=T-uz0YFZCuI>

Video first seen on [Fox News](#).

Trump's budget proposal wouldn't have done the one thing that it really needed to do, reduce federal spending, although by reducing the operating budget of several regulatory agencies, it was a step in the right direction. But as passed, the federal debt will continue to rise, which I'm sure will be "solved" by raising the debt ceiling once again.

But how far can the debt ceiling be raised? Currently our country's debt is being carried by a combination of selling the debt to other countries and some complicated maneuvering by the Federal Reserve Bank.

Essentially, the Fed, as it's known is buying up a lot of that debt, which basically works out to the government loaning itself money that doesn't exist, to fund ongoing government operations.

The only reason our government can get away with this is that the other countries of the world are allowing us to.

Since the American Dollar is the world's reserve currency, countries need dollars to do business. They get those dollars by buying our debt. But what will happen if they choose to stop buying it? How will our government be able to come up with the money it needs to operate?

China and Russia have already started moving away from using the dollar for their transactions, signing an agreement between them to use their own currencies in trading. Both countries are actively seeking such relationships with other trading partners, spreading those types of agreements. If enough countries sign such agreements, ending their use of the dollar, our economy would suffer.

The tipping point in all this is when the government reaches a point where paying the interest on our outstanding debt takes so much of the government's revenue (tax dollars), that it becomes unsustainable. In other words, in order to keep functioning and paying the bills, the government will have to keep creating money that nobody buys. This will continue to devalue the dollar around the world, moving more and more investors to avoid purchasing dollars.

When we reach that point, the government will not be able to continue functioning as it is now. They will either have to make some massive spending cuts or they will have to continue printing “funny money” to pay the bills. That, in turn, will create a hyperinflation cycle, with the associated damage to our economy, the closing of businesses which can no longer make a profit and the layoff of massive numbers of people.

That's where we are heading, and it looks like Congress is either blind to that possibility or they don't care. Perhaps they are all truly blind to the economics of the situation, thinking that they can continue adding to our nation's debt, without any repercussions. Regardless of the real reasoning behind their intentional blindness, if they continue operating as they are, reality will eventually come crashing down.

Are We Ready for a Financial Collapse?

So the question for you and I is, are we ready for it? Are we ready for when the economy hits the wall and finally collapses? Unlike the current crop of financial gurus, I can't tell you when it's going to happen. All I can tell you is that unless things change in Washington, it's coming, and when it does, it will be you and I who suffer, not our “political masters” in Washington.

What that means is that many of us who are middle class today, will suddenly find ourselves numbered amongst the poor. But unlike the poor who are around us today, it's unlikely that we will be able to dip into the government's coffers and receive all the “entitlements” that the poor receive today. If those programs survive at all, you can just about bet they will be closed to the newly poor.

When Argentina's economy collapsed in '99, the unemployment rate topped out a touch over 25%. Runaway inflation was common. Throughout the course of the collapse, prices rose an astonishing 1590%. But salaries only rose 230% during the same years.

Food, one of the necessities hardest hit by inflation, rose by 200 to 300 percent almost immediately, and continued to rise from there. Food shortages were common in the cities, although there was abundant [food being grown](#) in the farmlands.

Of all the shortages the collapse produced, the biggest was the shortage of food. The food that was grown was not making it to market and even what food did make it was so expensive and inflation was pushing the prices up so rapidly, that people couldn't afford it. Retailers often held off putting their wares on display, knowing that they could be more for them by waiting a day or so.

Most of the newly unemployed had worked in manufacturing and sales of “luxury” items, like new cars. With the economy in such a mess, few people could afford to buy a new watch, let alone a new car. Since people weren't buying those goods, the factories closed, laying off their entire workforce.

These people who lost their jobs were hit the hardest, with many of them resorting to gathering cardboard and selling it for recycling as a means of feeding their families. But even those who still had their jobs struggled to feed their families. Between the loss of value of their currency and the scarcity of goods to buy, many turned to [bartering for food](#).

We can expect the same when a financial collapse hits here. Food, more than any other commodity, will become scarce, especially in the big cities.

Many preppers will find themselves forced to turn to their [food stockpiles](#), just to feed their families.

While that will be beneficial for them, few have a large enough stockpile to make it through the crisis. They will find that they run out of food, long before the economy returns to some semblance of normal.

Preparing for a financial collapse is a complex undertaking, but it is one that we all need to do.

Stockpiling food – the more the better

- Build a barter stockpile – this could mean more food, as that will be the number one item that people will be looking for
- Eliminate debt – this is a biggie, as it will become impossible to pay off that debt
- Develop a business that will survive – the best businesses to have during a financial collapse are repair businesses, as people will keep items longer and look to have them repaired, rather than replacing them
- Fortify your home against attacks.
- Become self-sufficient – while this is a goal of many of us, a financial collapse is one of the places where it will be the most useful.

While not everyone will lose their jobs in a financial collapse, everyone will be affected. To get an idea of what it will be like, just look back to the 2008-2009 housing collapse. That affected pretty much the whole nation. A true financial collapse will be ten times worse.

Think about our grandfathers. They survived famines, wars, economic crises and everything life threw at them. Uncover the secrets that will help you survive if America collapses.

Click the banner below for more!



The 3 Pioneer Survival Lessons We Should All Learn

Watch Video »

This article has been written by Bill White for Survivopedia.

Copyright :

All this contents are published under [Creative Commons Attribution-NonCommercial-ShareAlike 2.5 Generic License](https://creativecommons.org/licenses/by-nc-sa/4.0/).

for reproduced, please specify from this website [Survivopedia](https://www.survivopedia.com/) AND give the URL.

Article link : <https://www.survivopedia.com/?p=23439>