

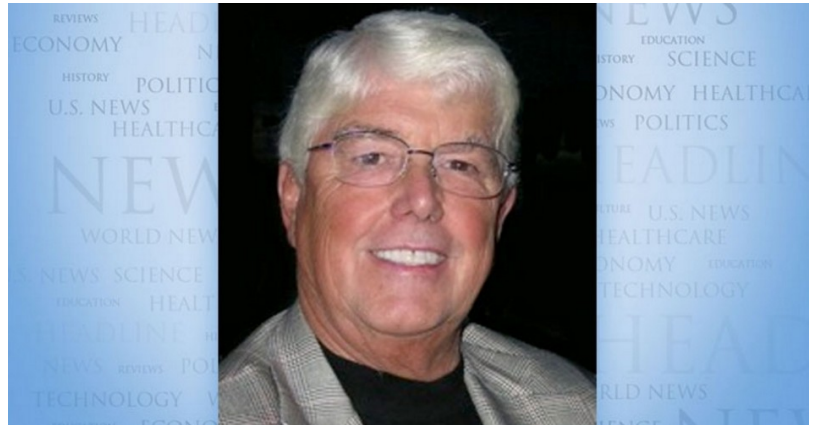


Written by [Wallis W. Wood](#) on December 15, 2012

## Better Be Glad Obama Won

I'm beginning to think it doesn't much matter whether this country plunges over the so-called fiscal cliff in two weeks. Regardless of whether Congress and the President reach some sort of accommodation over how much the "rich" will be taxed, a financial train wreck looks almost unavoidable.

Consider a few of the warning indicators that are flashing.



The Bureau of Labor Statistics just reported that 847,000 new jobs were created in the United States in the past six months. While that's not enough to make a meaningful dent in the unemployment numbers, it's at least a step in the right direction, right?

Not when you read the fine print in the BLS report. When you do, you'll discover that [73.3 percent](#) of those new jobs are in government. That's right; of all the new jobs created in the United States since June 1, the Labor Department says only one in four were in private enterprise. All of the rest are new government employees. No wonder government spending is going through the roof.

Speaking of government spending, in the first two months of Fiscal 2013 (which began Oct. 1), the Federal government spent [\\$638 billion](#). But it collected only \$346 billion in revenue. This means that it borrowed 46 cents for every dollar it disbursed.

Some of that money went to all the people who have been added to the food stamp rolls — [more than 1 million](#) in August and September alone. I haven't seen the numbers for November yet, but I doubt if they'll be much better. The Labor Department reports that some [350,000 people](#) left the workforce last month — nearly three times the number who actually got jobs.

The short-term picture doesn't look very good, does it? Well, I'm sorry to tell you that the longer-term picture is even more alarming.

The [latest estimates](#) from the Congressional Budget Office are that federal deficit spending will surpass 100 percent of the gross domestic product of this country by 2025. And that it will *double* from there after another 12 years, reaching almost 200 percent of GDP by 2037.

But don't worry about these astronomical levels of government spending. We'll never reach them. Long before that can happen, the economy is going to crash. As former British Prime Minister [Margaret Thatcher said](#): "Socialist governments traditionally do make a financial mess. They always run out of other people's money."

The federal behemoth will run out of "other people's money" long before it is gobbling up 200 percent of our GDP.

So what happens when the feathers hit the fan? What happens when unemployment soars and tax revenues fall? What happens when it becomes obvious to everyone and his brother that our massive entitlement programs can't be sustained?

The federal government won't be able to borrow its way out of the mess it's created. And it won't be



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able to print its way out, either.

Oh, sure, for a while it will try to do both. That's why I'm so certain that the dollar will continue to decline in value, while tangible assets (with gold and silver leading the list) will continue to climb.

But sooner or later, things are going to get really messy. And when they do, I hope there will be a massive repudiation of the tax-and-tax, spend-and-spend policies that brought us there.

Sadly, that's not what happened during our last economic catastrophe. The Great Depression got blamed on capitalism. As a result, the country took a massive turn to the left under Franklin Roosevelt and his comrades.

But even the talking heads on MSNBC will have a hard time blaming the coming crisis on the right. When that day comes, conservatives should be very glad that Barack Hussein Obama won re-election in November.

That's why it's so vital that we conservatives hold our ground, that we continue to defend and promote the principles we know are true and that we do everything in our power to explain the economic facts of life to our families, friends and neighbors.

At a time when the future looked even bleaker than it does today, [George Washington said](#): "Let us raise a standard to which the wise and honest can repair; the rest is in the hands of God."

That's the best advice I can offer today to help sustain you in the difficult days that lay ahead.

Oh, and one more thing. Until next time, keep some powder dry.

**Chip Wood** was the first news editor of *The Review of the News* and also wrote for *American Opinion*, our two predecessor publications. He is now the geopolitical editor of *Personal Liberty Digest*, where his *Straight Talk* column appears weekly. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.



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