



Written by [Alex Newman](#) on February 7, 2013

Texas Bill Would Prepare for Federal Meltdown

As the Obama administration and Congress [continue to rack up trillions of dollars in debt](#) while the Federal Reserve [conjures ever-greater sums of fiat currency into existence out of thin air](#), lawmakers in Texas have officially become the latest policymakers to openly explore the potential consequences. Legislation filed recently in the Lone Star State would, among other points, require a study on the effects of having to become partially or completely independent of the federal government in case Washington is unable to function due to financial chaos.



Known as the “Texas Self-Sufficiency Act,” [House Bill 568](#) does not call for secession from the United States — a proposal that has been gaining increasing popularity among some segments of the Texan population fed up with an out-of-control central government. However, according to Republican state Rep. James White, who introduced the legislation, Texas would be wise to at least consider and prepare for a potential federal meltdown in light of recent developments in Washington.

“Due to the fiscal dysfunction of Washington, D.C., and the fact that more than a third of our state’s budget revenue comes from the federal government, Texas needs to study what it would mean if the federal government couldn’t meet its obligations,” Rep. White [explained](#) in a statement announcing his legislation last month. “In the current economic climate, exacerbated by out of control spending in Washington, Texas needs to study possible responses to federal financial turmoil and our readiness to adjust to such an event.”

If approved, the measure would direct the governor and other top state officials to create a select committee of lawmakers, budget experts, and citizens to consider the effects of a potential reduction or elimination of federal funding for Texas. The commission would also be charged with creating a plan to keep what the legislation dubs “essential state services” running even if the cash stopped flowing from Washington, D.C.

“My district in South East Texas, for example, has a higher proportion of seniors compared to the state overall percentage. What would happen in the event the federal government eliminated the funds normally allocated to them?” [wondered](#) the self-styled conservative Republican lawmaker in a press release, praising some work already done on the issue but calling for an expansion. “Texans must govern Texas and Texans need to be concerned about Texas.”

Analysts and activists praised the legislation and the reasoning behind it. “Bottom line, this is a great bill and it is really thinking ahead,” [noted](#) Army National Guardsman and State Republican Executive Committeeman David Bellow in a piece for the online Texas GOP Vote. “With the way America is going, it is a very real possibility that federal funds to Texas could be drastically limited or even cut off completely in the event of a financial collapse. Texas needs to be ready and know what to expect.”

In an [interview](#) with the *Texas Tribune*, Rep. White clarified his position, saying that he supports



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staying in the union, but noted that lawmakers have a duty to take their jobs seriously and prepare for various contingencies. Plus, countless analysts and economists, even [among the establishment](#), have started openly discussing the possibility of an implosion of the U.S. dollar and the complete insolvency of the federal government if and when its creditors decide to stop lending it money.

Congress, of course, has already officially saddled American taxpayers with over \$16 trillion in government debt, and reliable estimates suggest that it has [well over \\$100 trillion in unfunded liabilities](#). Even with drastic spending cuts and high inflation to devalue the currency, making the numbers work has already become all but impossible without economy-destroying wild hyperinflation or complete default, according to many experts. The non-partisan Congressional Budget Office recently issued a [reminder](#) that the deficits are “[unsustainable](#).”

Lawmakers at the state level are simply trying to deal with reality before it smacks their constituents in the face. “We always talk about 10th Amendment rights, but there are 10th Amendment responsibilities,” Rep. White told the *Tribune* about constitutional protections for states rights, adding that he wanted to keep the union together even though a “significant group” of his constituents want to secede. “If Texas is an independent nation or if we continue to be a part of the United States, which I am for, we still need to have a strong Texas.”

Of course, secession has become an extraordinarily hot topic in recent months — especially after Obama’s reelection, when the White House petition page was flooded with petitions from states across America asking to secede. Nowhere is that movement more prominent than independent-minded Texas, with over 125,000 people asking the president to grant total independence to the Lone Star State.

Unsurprisingly, despite the unquestionable fact that states — as the creators of the federal government — have the right to secede, Obama responded by rejecting the petitions. Even if he wanted to, the president has no power or authority to grant independence to a state anyway.

However, some analysts have also noted recently that the secession movement appears to be receiving an inordinate amount of coverage, and sometimes even support, from unlikely sources: the “mainstream” media, the Kremlin-funded broadcaster RT, and more recently, even [the communist regime ruling Belarus](#). Nullification, meanwhile, has been all but ignored by the “establishment,” other than a few jabs at the constitutional principle from so-called “experts.”

While secession fever may be growing, though, lawmakers such as Rep. White in Texas are not calling for independence at this point. Instead, prudent legislators all across America are getting prepared for what many economists believe is an increasingly likely scenario: financial turmoil emanating from Washington, D.C., caused by out-of-control spending, borrowing, and currency printing. Texas, indeed, is hardly alone.

As *The New American* reported this week, for example, the Virginia House of Delegates [overwhelmingly approved a bill to study the effects of a potential implosion of the U.S. dollar](#) and the [privately owned Federal Reserve System](#). If it becomes law, the legislation would create a commission to study the issue, as well as potential solutions, such as using gold and silver as money once again, as the Constitution demands.

“If there are competing currencies that are not subject to inflation, consumers may decide to use those instead of Federal Reserve notes,” Republican Delegate Bob Marshall, who introduced the popular bill, [told The New American](#). “We want to do this within constitutional parameters, but the possibility ... of inflation or super-inflation is real, and I just want to have a plan B if this happens.”



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In Utah, meanwhile, [gold and silver officially became legal tender last year](#). Lawmakers there realized that with the Federal Reserve [creating trillions of dollars](#) to [lavish on foreign banks](#) in recent years, among other controversial schemes, the potential for a catastrophic implosion of the American monetary system was growing quickly. If and when that time comes, the people of Utah will be way ahead of the rest of the nation, experts say.

Early last year, lawmakers in Wyoming took matters a step further, advancing a so-called “doomsday” bill. The legislation, which ended up being approved by the state House, was aimed at [exploring how the state would deal with the total economic or political collapse of America](#). Some of the potential responses to be considered would have included the issuing of an alternative currency in the event of a dollar meltdown, or how the state might deal with a “constitutional crisis.”

“Things happen quickly sometimes — look at Libya, look at Egypt, look at those situations.... If we continue down this course, this is the way any society ends up — with a valueless currency,” [explained](#) state Rep. David Miller, who originally sponsored the bill. “We wouldn’t have time to meet as a legislature or even in special session to do anything to respond.”

Confronted with a federal government that increasingly ignores the U.S. Constitution and a privately owned central bank with virtually no oversight that creates trillions of dollars on a whim, more and more state governments are beginning to reassert their sovereignty and prepare for problems that, for many analysts, at least, seem inevitable at this point. Whether they will be ready if and when the federal government or the central bank’s fiat currency end up in shambles, however, remains to be seen.

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