



Written by [Joe Wolverton, II, J.D.](#) on November 19, 2012

## Robert Welch Accurately Predicted Fall Off Fiscal Cliff in 1974

As the United States teeters drunkenly along the “[fiscal cliff](#),” shoved ever closer to the edge by inflation of fiat currency, endless entanglements in foreign conflicts, and Washington’s insatiable appetite for power, Americans are frantically searching for someone or some party to rescue them from a devastating fall.



Citizens of many states, weary of the “[long train of abuses](#)” of the federal government, [have submitted secession petitions](#) to the White House. Over the weekend, [President Obama met with leaders of U.S. industry](#), including JPMorgan Chase’s Jamie Dimon, renowned investor Warren Buffet, and the CEO of Apple, Inc., Tim Cook. Earlier he [met with political leaders of both parties](#) reportedly to hammer out some sort of compromise duct taping together the disintegrating parts of a government grown unwieldy and untamable.

During the recent presidential campaign, Ron Paul and his legion of [young, animated supporters](#) were [effectively disenfranchised by a Republican Party](#) bent on promoting a candidate representative of the interests of the monied cabal whose largesse allows both major political parties to perpetuate their duopoly over the American political process.

Regardless of his rejection by the party whose banner he flew, in 2012 Ron Paul earned respect from many for the eerily prescient [predictions he made in 2002](#) regarding the looming economic crisis. In the Internet era, Paul’s prophecies recorded throughout his long career of public service were disseminated virally on YouTube and mentioned daily in tweets and Facebook posts.

Ron Paul’s public stature and popularity accelerated the ascension of his [reputation as a modern oracle](#) capable of pronouncing woes and warnings of impending financial doom. But there were others equally possessed of a remarkable gift for seeing beyond their day and signaling the signs of approaching political and economic difficulty.

One of these prognosticators of political upheaval was Robert Welch, founder of The John Birch Society. Welch, a retired candy maker, organized The John Birch Society in 1958, “at an age when most people are enjoying their retirement.” The John Birch Society (JBS) website reports [the story of the educational organization’s founding by Welch](#):

Formed by Robert Welch in December 1958, The John Birch Society takes its name from the legendary World War II Army Captain John Birch. The organization’s overall goal, never altered in



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the 50-plus years of its existence, has always been to create sufficient understanding amongst the American people about both their country and its enemies, so that they could protect freedom and ensure continuation of the nation's independence.

By any measure, Welch was as much prodigy as prophet. Again, [from the JBS website](#):

A child prodigy, he entered high school at age 10 and graduated near the top of his class two years later. He then entered the University of North Carolina and graduated in 1916 at age 16. Next, in the midst of World War I, he began studies at the U.S. Naval Academy in Annapolis. When World War I ended a couple years later, he left the Naval Academy and dipped his creative toe into journalism, becoming a syndicated columnist.

A short time later, he decided to take a Merchant Marine position. Unfortunately, Congress ended the program seven days before he was to leave. He then knew he had to find an occupation that would allow him to flourish while at the same time permitting him to make time for his academic interests.

In the fall of 1919, he enrolled in Harvard Law School to learn the free enterprise system. By 1922, he had had enough of the school and Marxist Professor (and later Supreme Court Justice) Felix Frankfurter. He left Harvard and launched the Oxford Candy Company. In 1926, he invented the Sugar Daddy candy and sales skyrocketed.

He left the company he worked so hard to build after a dispute with management and started again. Eventually he ended up working for his brother at the James O. Welch Company from 1935 until he "retired" in 1956. Two years later he founded The John Birch Society.

On March 9, 1974, some 19 years after presiding over the first meeting of The John Birch Society, [Robert Welch stood and addressed leaders and members of the JBS](#) gathered in Los Angeles for one of the organization's council dinners. In fact, Welch delivered two speeches that night, and his predictions were so accurate that they sound as if they could have been spoken by Ron Paul last week. Presented below are a few of Welch's insights from those 1974 speeches.

First, Welch begins by reminding the audience of a few points he made at the founding meeting of the JBS in 1958, regarding the plan of what he called "Insiders" to assume control of the United States.

"A part of that plan, of course, is to induce the gradual surrender of American sovereignty, step by step and piece by piece, to various international organizations of which the United Nations is the outstanding but far from the only example," Welch began.

In just the past few months, *The New American* has chronicled time and again the efforts by many of our own elected leaders to subvert the Constitution and grant lawmaking and policymaking authority to various international bureaucracies, including the United Nations.

Whether it be the [push toward adoption of Agenda 21](#), the signing off on treaties [calling for the end of private weapon ownership](#), or the [right to regulate the Internet](#), many on Capitol Hill and in state capitals nationwide are willingly offering their sovereignty on the altar of globalism where the United Nations serves as the chief high priest.

Next, Welch listed the ways the Constitution and sovereignty would be brought to ruin in the United States: "*Greatly expanded government spending.*"

The accomplishment of this goal is so commonly understood it hardly needs evidence. Every year the federal operating budget increases greatly over the year before. In 2011, for example, federal spending



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topped \$3.8 billion and on November 16, [as reported by CNS News](#), “Treasury Secretary Timothy Geithner said Friday that Congress should stop placing legal limits on the amount of money the government can borrow and effectively lift the debt limit to infinity.” [Emphasis added.]

*“Higher and then much higher taxes.”*

When the various taxes are aggregated (local, state, and federal), [Americans pay over 50 percent of their income in taxes](#).

*“An increasingly unbalanced budget despite the higher taxes.”*

Again, Welch is right. Read [this story from Fox News](#) published on November 14, 2012:

The federal government started the 2013 budget year with a \$120 billion deficit, an indication that the nation is on a path to its fifth straight \$1 trillion-plus deficit.

Another soaring deficit puts added pressure on President Barack Obama and Congress to seek a budget deal in the coming weeks.

The Treasury Department said Tuesday that the October deficit — the gap between the government’s tax revenue and its spending — was 22 percent higher than the same month last year.

Tax revenue increased to \$184.3 billion — 13 percent greater than the same month last year. Still, spending also rose to \$304.3 billion, a 16.4 percent jump. The budget year begins on Oct. 1. Officials said last year’s figures were held down by a quirk in the calendar: the first day of October fell on a Saturday, which resulted in some benefits being paid in September 2011.

*“Wild inflation of our currency.”*

Inflation of the United States’ fiat currency has been manipulated since 1913 by the Federal Reserve to suit the needs of the monied interests that control it. Boom and busts cycles perpetuated by the Fed expand then deflate the value of the dollar, simultaneously creating economic chaos for Americans while granting greater control to the Federal Reserve Board of Governors who promote themselves as the only means of managing the mayhem.

In a later article, we will examine the rest of Robert Welch’s 1974 speech and provide accompanying evidence from today’s headlines of the almost unbelievable accuracy of his predictions.

*Photo of Robert Welch: The John Birch Society*

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