

Trillions - With A 'T'

I have a question. Are those who "serve" in Congress really as dumb as they seem to be? Or, Do they just not care?

Deficits in the Trillions of Dollars can only be paid for in one of two ways. (1) Inflation, which is another way of saying devalue the dollar. At the current rate of growth in the debt, hyper-inflation is a possibility. In other words your current and future savings go "Poof". (2) Bankruptcy. An ugly word and not a truly workable solution on a Federal Government level. Governments have a way of avoiding the word Bankruptcy by printing money. In other words, inflating their way out of debt by making the Dollars they owe worth-less and less and less. Refer back to option (1).

For those who think this debt can be paid with future taxes I would only point out that we are reaching the point where just the interest on the debt will eat up a very large percentage of any expected tax income. That takes money away from things like Education, National Defense, Medicare, etc..

Think about it on a personal level. If an individual or family increases his/her/their debt (cars, boats, R.V.'s, credit cards, whatever) eventually a point is reached at which just the interest on that debt exceeds the available income. What are the options when this point is reached?

For too long Congress has simply "kicked the can down the road" with gimmicks and "creative" accounting to future generations. Our future generations. Our children and grandchildren. Well, the end of the road is near and what is Congress doing? Borrowing more and more Dollars from lenders (the Chinese, Japanese and others) who are becoming more and more concerned about our ability as a nation to practice fiscal discipline and repay our debt. What is Congress' plan if they decide to stop loaning us Dollars?

Is a financial Armageddon unavoidable or is there still time to change our ways as a nation? I always want to have a positive mindset but I believe the clock is ticking and we need to change those in power or they need to change their ways very soon. Looking at what is happening in Washington DC, I am not confident that will happen. I believe we need to act financially on our own to protect ourselves and our families from what seems more and more inevitable.

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