

# Donald's Economy: Where It Is Now And Where It Is Heading, Part 2



By Marilyn M. Barnewall

According to justfacts.com, the U.S. Treasury's official figure for federal government debt as of June 25, 2020 is \$26,301,202,679,011 – or \$26.3 trillion.

Every person in the United States is on the hook for \$79,767 (for every household, the amount owed is \$204,553).

Our debt is 122.1% greater than gross domestic product (GDP). We hear that term a lot. What is GDP?

GDP = Consumption (private expenditures by households and non-profit organizations) + Government (total government costs including salaries to employees, military, schools, airports, roads, etc.) + Investment (a country's investments spent on capital equipment, inventories, and housing) + Net Exports (total exports less total imports). So, if you're mathematical by nature, the formula is  $GDP = C + G + I + NX$

The June 25<sup>th</sup> 122.1 percent debt to GDP sets a new high.

To give you a comparative as to how quickly the national debt is increasing because of Chinese flu and flawed policies put in place to contain it, at the end of January 2020, our national debt was \$17.2 trillion. On May 22, 2020, the national debt reached \$25,746.3 or 118.5% of the nation's

annual economic output (GDP). That breaks a record set in 1946 for the highest debt in the 230+ year history of the United States.

The previous record of 118.4% stemmed from World War II, the deadliest and most widespread conflict in world history. By the end of May 2020, the debt had risen to 118.5% of debt to GDP, and the June 122.1% quickly broke the May 2020 record. Thus, anyone who thinks when China declared an economic war based on debt is just a passing problem take a step back so you can see just how serious this problem really is.

On an inflation adjusted basis, by year end the government will spend more fighting COVID-19 than it spent on World War I, World War II, The Korean War, The Vietnam War, The Gulf War, The Iraq War, and the War in Afghanistan combined.

I started my last article on the Trump economy, [Part I](#), talking about the ridiculous reaction to the coronavirus. The reason? Dr. Anthony Fauci's solution to the new flu: Close down the economy by having healthy people self-imprison.

There is no way to discuss the economic trauma we face without talking about the cost to the American people of phony impeachment trials and false flag over-reactions to a new flu virus. Both, I believe, were designed to tear down the Trump economy and ruin his chances for re-election.

But it goes deeper than the U.S. Presidential election in November. War has been declared by Marxists against those whose greatest life need is the freedom to control our own destinies. That includes the three founders of Black Lives Matter who openly admit their Marxist backgrounds. It is the Chinese communists who finance BLM.

Here's a brief list of the costs we are and will continue suffering as a result of China's irresponsible behavior regarding the Wuhan flu:

- More than \$6 trillion will be added to the national debt;
- 5% unemployment at the end of May, (up from 3.5% pre-Covid);
- 60 million people on food stamps;
- Ruined the tourism industry;
- Bankrupted the service industry;
- 50 million workers may or may not have jobs to which they can return;
- Broke the international supply line into pieces;
- Responsible for a pending meat/protein shortage;
- Decided churches are non-essential but liquor stores and pot shops are;
- Suicide rate increased so much it caused more deaths than COVID-19;
- Violated constitutional rights in numerous situations (including state shut-downs by Governors);
- Schools and colleges shut down and graduations postponed;
- Surgeries and serious disease treatments (including cancer) suspended;
- Unlawfully forced self-imprisonment of millions of healthy Americans

We have not yet begun to feel the impact of the nation's shutdown recommended by Dr. Fauci who was supposed to be qualified to advise the President but obviously was not. He hasn't seen a patient in over 20 years and he obviously knows nothing about economics... but Bill Gates (whom Fauci also serves) does.

We have learned a valuable thing. When a conservative non-Deep State President is elected, get rid of all of the bureaucrats who run federal offices and replace them with your own people.

We are in process of learning the most valuable lesson to come from this mess: We need a new "new" and should not return to

the old, comfortable way we were living. Why? Because its shortcomings made our current problems possible. The leftists think the new “new” should be socialism; those of us who love freedom do not and we need to carefully define a new “new” that will lead us to peace and prosperity rather than total corruption.

So where do we go from here?

In my opinion, the economy was not as strong in the summer and fall of 2019 as the surging stock market and job increases made it appear. The Federal Reserve has refused to admit it is doing another round of Wall Street quantitative easing similar to the 2007-09 crisis, but it certainly appears they are.

Why did I think something was and is wrong?

On September 19, 2019, the Fed began a program of overnight lending in an attempt to put needed liquidity into the banking system. By January 2020, the Fed had made almost as much money available to Wall Street as they did in the entire 2007-2009 economic crisis.

I do not believe the weakness has anything to do with the economy President Trump is building. The primary evidence of that is the new jobs the Trump administration is creating. Rather, it appears the weakness results from a mafia-like administration of the financial services industry.

Since the last financial crisis, banks have been fined \$243 billion for everything from misleading investors relative to mortgage-based derivatives, to opening credit cards in customers' names with no permission or request from the customers, to manipulating the precious metals markets – and more. At least one bank (not on the following list) has money laundering problems.

**BANK**

**FINES (IN**

**BILLIONS)**

Bank of America	
<u>\$76.1</u>	
JP Morgan/Chase	\$43.7
Citigroup	
<u>\$19</u>	
Deutsche Bank	\$14
Wells Fargo	
<u>\$11.8</u>	
Royal Bank of Scotland	\$10.1
BNP Paribas	
<u>\$9.3</u>	
Credit Suisse	
<u>\$9.1</u>	
Morgan Stanley	
<u>\$8.6</u>	
Goldman Sachs	\$7.7
Unions Bank of Switzerland	\$6.5

So if the banks make \$500 billion on their unlawful behavior and have to give \$243 billion of it back to the government – and that is where it goes: to the government – their unlawful behavior is very profitable. Is that why the House Financial Services Committee and the Senate Banking Committee ignore violations of the law and give these banks free rein to go back and do more damage?

Too, the fines can be paid in rather strange ways. For example, banks participate in debt restructuring and get credit for it against what they have been fined. Goldman Sachs committed to forgiving \$1.8 billion loan involving affordable housing as part of its fine. Consumers who suffer losses because of crooked banks get nothing (as usual). Remember all of the unlawful foreclosures during the 2007-09 mortgage-backed derivatives fiasco? Homeowners got little or nothing back after having been abused by both banks and government.

Who gets the hard cash from payments of these fines? Almost all of it goes to federal and state governments.

When Adam Smith wrote Wealth of Nations, he did not have in mind a giant stock market as a source of capital to fund multi-national companies. It is the Smith concept of free enterprise on which capitalism is based.

The federal government has no idea of how banks should function regarding the financing of small, independent business. The fact that the Small Business Administration does not know how to make business purpose loans to independent business owners who have sufficient personal cash flow uninvolved with the business to repay a loan and must use personal rather than business assets as collateral is clear evidence that the SBA does not support small, independent businesses. Most banks do not know how to make such loans either.

This is important because about 70 percent of employed people work for independent businesses, not Fortune 500 companies. To regain a strong economy that is not totally reliant on multi-nationals (who want one world government), financial assistance from government needs to be directed at the independents who are not on Wall Street rather than those who are and whose stock prices are manipulated and those that think China is the best place to employ people because labor is cheaper.

For example, if I were Donald Trump, I would be helping pharmacists who know how to mix drugs to start their own small laboratories in cities, large and small around the country, rather than depending on the Chinese for 97 percent of the medications we need. The reason it was possible for China to so successfully attack the American economy via the flu for which there was no known treatment is because China knows our weakness when it comes to America providing its own medicines.

To make and keep America great, we need to be able to function in all key areas, not just militarily.

At this point in time, the Donald economy is not moving efficiently in this direction. President Trump needs to pay more attention to independent business growth and less attention to those companies large enough to be listed on Wall Street.

We all need to pay more attention to our local governments... whether it is city council or county commissioner or school board meetings. We need to pay more attention to who we elect as our County Sheriffs.

With citizenship comes responsibility. Have you been fulfilling yours?

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