

The Big Depression

Pete Thorsen

Prologue

So the ones in charge got what they apparently wanted, a second Great Depression. Whether this was the outcome they desired or not is, of course, up for debate. Maybe they thought a depression could be avoided, maybe they thought they were smarter than they really turned out to be. No matter what the end result was a second Great Depression.

Greed of course was the real cause for this depression just like the first one. Raw greed in so many people and are they benefiting from that greed now? I would think not. I don't think anyone is getting any benefits out of this mess.

It is so much worse now than when the world faced the Great Depression of the nineteen thirties. Back then the great United States was still a young growing nation. As a nation we were ramping up industrialization and we were manufacturing everything we needed here. And the other half of the nation was also a rural powerhouse of farming and ranching. Back then we could and did grow our way out of that depression.

This time it is different. The country has aged and it has aged rather poorly. Almost all our manufacturing was gone, sent away to other countries, leaving us with no way to grow. Farming now was mostly done by huge corporations instead of small family run farms. Now few people even knew how to grow a simple garden.

Back then our nation was still young and so was the population. This time the nation's population is one-sided on the side of the aged. We have way fewer births and our population has a much greater percentage of old folks rather than young people.

Our whole economy has aged. Just like a person who ages and starts out young then peaks with their strength and energy at some point in their life and after that they go downhill until they die. So it was with our nation's economy. We were young and we grew and grew ever stronger. Then maybe in the early nineties we peaked with our strength and energy and naturally after the peak our economy gradually declined. Our government changed statistics around to hide this fact but they could only hide it for so long.

During the start of the decline was when our government really started down the rabbit hole of debt. And that debt once started grew faster and faster. The debt of course is what ultimately led to our total downfall. Oh. We were not alone in this. The whole world economy had peaked and all the world countries used debt to hide that fact. World debt grew to an incredible amount.

As all that debt grew and grew it was getting harder and harder for those in power to keep everything together. It was soon not a matter of rob Peter to pay Paul but instead rob everyone just to hold the leaky ship afloat through another election cycle.

Of course it was not just the current politicians that were the problem because like many things it takes some time to build up enough steam to make the whole boiler blow up. So it was with the United States. The population seemed oblivious to what was happening. The citizens would elect new people into Congress and then no matter what kind of job they did there the people would keep re-electing them back into office, again and again.

Usually these elected officials would enter Congress as middle-income citizens but while in office their incomes would balloon higher, much, much higher than their Congressional wages would support. So where did the citizens think all that money was coming from? The fact was they never thought about it at all. Soon those elected

officials would be multi millionaires. They did not enter Congress for noble reasons to serve their fellow citizens; they entered Congress because of greed.

The greed was everywhere in our country and around the world. One only had to look at the large banks both here in the United States and around the world. The banks were caught again and again breaking the law to earn greater profits. The banks would do illegal things making them many hundreds of millions of dollars and when they were caught they would face fines of tens of millions.

Obviously getting caught was no deterrent because no one would go to jail and the fines would just be a fraction of the illegal profits. So those same banks would just continue to break the law. After all they obviously had nothing to lose and all those profits to gain. Again it was all about greed.

Most people do not understand banks at all. People do not even understand fractional banking. Most people still think a rich person starts a bank and lends out his own money in the form of loans and that banker makes his money on the interest on those loans. Really that is just a tiny part of the banks profit.

The bank also takes all the depositors' money and uses that also to make money. The banks are supposed to keep a certain percentage of the depositors' money as cash on hand to be able to give that money back to the depositors on demand. The old rule was the bank would keep about ten percent of the depositors' money on hand. So this was fractional banking. The bank retained one tenth of the money to cover withdrawals.

And the banks could only use the depositors' money for loans. But the banks wanted to make more profit. The interest money on the loans was fine but they wanted to make more than just a few percent. But there was a law passed in nineteen thirty three that limited what the banks

could do with depositors' money. The law was passed because Congress realized back then that allowing banks to invest widely in the markets was a major part of all the banks going bust in the Great Depression. So Congress stopped banks from investing.

That law worked great for sixty-six years. But the banks wanted bigger profits so they talked real nice to all the Congressmen and got them to repeal that law. That was in the year two thousand, after our economy had peaked.

So now banks could still make loans but they could also invest in many, many things like the stock market with your money. And changes were made so the banks could leverage their assets to greater amounts. Higher leverage just means they could have a higher amount of debt compared to their cash.

It was only seven years after this change in banking laws and all at once the banks were in deep trouble. You remember what happened; the United States taxpayers had to bail out all the big banks because they were broke but "too big to fail".

After we bailed out all the banks Congress never re-instated that old law again. The economy was in a recession and the mother of all banks, the Federal Reserve Bank made major, unheard of changes.

The Federal Reserve Bank lowered interest rates down to basically zero. They also started infusing extreme amounts of "new" money into all the big existing banks. The amount of new money they made out of thin air was large, at least four trillion dollars and possibly more but the Fed is quite secretive about their doings and Congress refuses to audit them.

Many years passed and the debt everywhere grew and grew. Some people were making huge profits and some were just barely holding their heads above water. But that debt just kept growing at a record pace. National

debt, state debt, local government debt, and personal debt all continued to grow and grow.

Well it did not take a genius to know that you cannot keep building on debt. Something had to give.

And then we ended up with the Second Great depression.

Chapter 1

I feel sorry for the younger people. Older folks like me have lived our lives but the young folks would normally have their whole lives ahead of them yet. But not so much with the way things are now. On the news, while it was still broadcasting, they talked about the depression and what it might mean for everyone. Of course they did not have a clue. No one could have imagined the way it is now.

It started out with things just sort of crumbling around the edges. Prices on just about everything going up and employment going down. But no one was really worried about things. At least for a while. And for a while it looked like things were not so bad. So some people lost their jobs and so products went up some in price. Sort of “oh hum just another day.”

That lasted for a while and then almost all at once everything just fell completely apart. Once it really started it went surprisingly fast. Prices really jumped and unemployment really jumped and business closings really jumped. The world stock markets fell and fell. It all just seemed to happen all at once.

When the banks closed that was end of life as we all knew it. No bailout this time around. There was no money anywhere to bail anyone out. The banks just shut their doors and all the yelling and screaming and riots did nothing to get them open again.

When the banks closed it was end of all businesses. They could not remain open without banking. The economy could not continue on a cash only basis. For one thing there was just not enough cash money in circulation. Nobody had used much cash for many years. Most people had less than a hundred dollar in cash and even

businesses did not have very much cash on hand. Oh, retailers had some small bills to make change for cash customers but that did not amount to much. Not enough cash to pay their suppliers.

So when the banks closed their doors all businesses closed their doors. Even then many people thought it was just a hiccup and that every place would re-open in a couple days or a week at the very most. But obviously that did not happen.

And when the banks closed no one could get paid. That included every policeman and every fireman and every other worker. But it mattered little because when the banks closed the gas stations could still sell their fuel until they ran out and then they could not just call their supplier and say bring me a load and I will pay you after it is sold. No deal so deliveries stopped. No fuel deliveries meant there was no fuel for anyone and then everything just ground to a halt.

Of course there were no food deliveries either. No deliveries of any kind. And very few people had much food stored on hand in their homes. So it was just a very short time and many people were desperate for food. And then things got ugly.

Violence was soon almost everywhere while the police were nowhere. Most of the police did not want to work for free and in a short time they had no fuel to drive anywhere anyway so at that point there were no police and it was every man for himself. And it was a bad time to be a woman.

About that time was when services started to fail everywhere. Electric power was the big thing but with that went the water and sewer. And phones were all out by that time too. But who would you call anyway at that point. When the electric power went off it was immediately a dog-eat-dog world. Quite literally in many cases. And it was

also a man eat dog world until the dogs were gone, along with the cats and other pets.

But some of us are still around, either because we were smart or very strong and well armed.

I live in my motor home just like before everything collapsed all around me. I don't travel anymore but leave it parked instead. And it is not parked in a parking lot or trailer park. No it is parked in the middle of nowhere sitting next to a windmill.

Every so often I turn the windmill on to provide water to fill the motor home's fresh water tank. I only turn the windmill on after sundown because I do not want anyone to see it spinning. Even though I don't think anyone is around to see it, I have learned to take few chances. Even I would like to live a little longer.

I am still living in relative luxury. I have running water, a working refrigerator, a working gas range, and electric lights. I'm afraid to use the electric lights for the same reason I do not start the windmill until after dark. I don't want to draw any attention to my place here.

I'm on what was once federal land administrated by the Bureau of Land Management. The windmill was for the watering of free range cattle by some rancher that had a grazing lease for this federal land. There are no cattle here now and I'm not sure how long it has been since this place has seen any cattle.

I found this place because the windmill was marked on a map. I had looked for a spot away from any buildings or highways that had a working windmill. I had investigated a few and I finally picked this spot after I had checked its functionality. It pumped with a very strong flow so I guessed that it had been refurbished recently. Should last longer than me I figured.

I admit I had quite a tough time getting this motor home back in here. And it will never leave here because there have been a couple quite hard rains and the little dirt

track has washed out in a couple places bad enough so I could never get this big thing out again. That's fine with me because I had planned that it would likely be a one way trip. My plan was when things got better I would just walk out and catch a ride to town and go from there.

I have this motor home and a covered trailer. Both were packed solid with supplies when I drove out here. When the supplies are all gone I will likely die. But I do what I can to stretch the supplies I brought with me. There are some jack rabbits and cottontail rabbits that I occasionally shoot and eat.

There are some quail that meet the same fate as the rabbits. There are a few deer but so far I have never shot one because I don't think I could preserve the meat before it spoiled. The desert here contains many edible plants that I take advantage of sometimes.

The natural food here allows me to supplement my existing food supplies but in no way could I live off the land here. Maybe if I could grow a big garden and then can the produce but that is beyond my expertise. I don't really know if anybody could grow enough food to survive here. Hundreds of years ago the native Indian population either died out or moved out of this area because they could survive here.

So be it. Like everyone else I will live until I die. And I rather like it here. It is so peaceful. I walk far out into the desert to pass the time and to gather what edible plants that I can find. I am careful to take only a few plants here and there to not totally deplete the supply. Not that there is that much for plants anyway. It is desert after all.

The roof of the motor home is covered in solar panels to provide me with the little electric power that I need. When I first moved out here I spent the first week or more hand digging a make-shift septic tank. There were two old drums out here when I checked out this place. The

drums were old and would never hold much for liquids ever again but I figured they would suffice for my needs.

I dug a hole and buried them both about ten feet apart. The first tank got the drain hose from the motor home. There was a pipe near the top of each drum that connected them together. There was also a pipe running out of the second drum and that pipe (like both drums) was full of holes to hopefully drain away any excess waste water. It was a very make-shift septic system but with only me here it seems to be working just fine.

I take showers outside anyway. I have a couple of the so called solar showers that are just dark colored bags with a hose coming out for a gravity shower. I hang them from a long pipe I attached to the legs of the windmill up about seven feet so I can stand under the bag of water and take a short shower. It actually works out pretty well.

The solar panels provide plenty of power to run the little water pump and the electric refrigerator. It is nice to have a cold drink with ice in the summer months. The motor home does have a built-in generator but I have found little reason to run it even though I do have the fuel. I do occasionally start both the motor home and the generator just to keep them lubed and ready.

Chapter 2

I did see this coming better than most people I guess but I never dreamed it would ever get this bad. I already owned this motor home that I had bought not too long after my wife had passed away. We had a house then and after she was gone I just wanted out of the house. So I sold the house and everything else just about and bought this motor home which I used to travel some.

I was down in the southwest when things started to turn downhill and I saw the writing on the wall. I looked for a spot to hide out and when I found this spot I drove to the closest large town and bought the trailer along with food and other supplies to completely fill it and what space there was available inside the motor home. Both were totally packed full.

Seeing no point in waiting I drove out here and have been living here ever since. I guess violence really erupted in the cities shortly after I came out here. I have never been bothered by anyone out here. I have never even seen another at a distance. Looks like I made a good choice for a hideout spot. The water from the well here is clear and has never made me sick so it must be okay to drink.

It was awful hearing about what was happening in the cities. It must be terrible there though by this point I wonder if any people are even left in the cities anymore. With no electric power I don't know how anyone could survive there. On the television and radio while they were still broadcasting, they reported all the bad stuff that was happening across the nation. It sounded like the whole world was about the same or worse than America.

The violence was the worst. Everyone seemed to be killing everyone else. I admit I never expected that people would go from being civilized to totally barbaric in just such a very short time. I guess if you are starving and desperate you just do desperate things. But many of the violent encounters were just - -brutal. They turned into barbarians with not a trace of civility.

Even the radio has been silent now for at least a month. I do not even try to keep track of the days because I see no point in doing so. Off and on when I remember I do check the radio just to see if I can hear anything. Now I don't check very often because I expect to hear nothing anyway.

So I wander in the desert during the days and often read my Kindle in the evenings. Before I came out here I bought and downloaded a few hundred books on the Kindle. I had also bought an armload of those cheap crossword books for something else to keep my mind sharp and busy.

I also spend time just watching the birds and wildlife here. I keep water out all the time for the birds and critters and the water sure draws them in here. I wish I would have bought some birdseed for the birds but I guess they do just fine on their own anyway.

The days pass and time moves ever onward. I continue to go on my daily walks when the weather cooperates. I don't know how long it has been but I do know it has been several months. My huge food supply is now getting skimpy even with my foraging and occasional hunting.

I decide to check the radio to see if things are maybe getting back to a more normal condition. I had quit checking the radio and I know it has been months since the last time I tried it. It just had seemed so pointless when I never heard anything. But now the food situation is getting almost desperate.

I try the radio but as I feared I hear nothing when I go through the dial. My fate is sealed. The money I had saved so I would have some when things got better now will not help me. I will never be leaving here.

This is my last entry. I am just too weak to even write. My food is gone. I have no regrets and I have lived a full life. I look forward to again being with my wife.

Good Bye.

Special Insert

“So tell me again why we don’t have the radio and TV stations up and running yet?”

“You know the answer. We had them up but only for a month or so and there was that protest about cutting the broadcasts. The protesters said that TV, radio, sports, and video games were what led us down the path and caused the collapse.

So Congress put a two year moratorium on TV and radio so there would be no distractions while we re-build the whole nation.

We have over a year to go before you can watch TV and listen to your favorite tunes on the radio again.”

“Oh, that’s right. Well, it’s not a big deal. Not like I will die just because I can’t listen to the radio.”

The End

