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Real Goods Are The Real Money

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This article was written by Tom Chatham and originally published at <u>Project Chesapeake</u>

We have seen the massive drop in the Baltic Dry Index over the past few months indicating shipping of bulk materials around the world is slowing down to unprecedented levels. We have seen the shutdown and mothballing of hundreds of locomotive engines in the U.S. just over the past few months indicating goods and raw materials are not being shipped in the normal volume as in years past.

We are seeing hundreds of stores run by major retailers being shut down around the country indicating people are not buying goods at the same rate as in years past. Most of our manufacturing ability has been shipped overseas to lower input costs. It has been reported that as many as 15% of the farmers in the U.S. will go out of business this year.

This all means two things. People no longer have the means to buy at will and the amount of goods available will continue to fall until there are severe shortages in the system. The lack of production and distribution will insure that the standard of living of most Americans will drop in the coming months as supply is outstripped by demand in a collapsing economy. As indicated above, the collapse is not coming soon, it is here now.

When goods become scarce, it does not matter what the cost is if you have no money to get them. The lack of basic goods in the economy will be the straw that breaks the American illusion that everything is just fine. It will happen just as sure as the sun rising every morning. It will be a slow process where you notice more and more empty shelves and certain brands become out of stock for longer and longer periods. No production and no shipping carriers means no product on the shelf in time.

When this happens it will not matter to people if we are in deflation or hyperinflation, they will suffer the same in either case due to lack of goods and lack of a medium of exchange with which to maintain their living standards.

If society has the goods it needs at the local level it does not matter what mechanism people use to trade for those items. The trade will happen and living standards will be maintained. Money can be printed at will but real goods must be made from scratch with labor and raw materials. Real goods determine your standard of living and not necessarily the amount of money that exists in society.

Because of this the ability to store and produce real goods at the local level are the only solution to a collapse in the medium of exchange in a country. It is happening now. Fiat money is becoming more worthless by the day and goods are not being produced and shipped as normal. This can only end one way if nothing is done to curtail the lack of goods that people need.

It does not matter if money is little pieces of paper or plastic cards, if the goods are not available the result is the same. The ability of government entities to control either money or goods is a way to control society and force compliance from the people. This is the reason for calls for a cashless society. The government can control money all they want but if they have no control over real goods in a community they really have no control over society.

Real goods trump money of any kind when it comes to everyday living. If you have a years worth of goods stored in your home or the ability to produce them locally, it does not matter if you have a million dollars or no money at all. It does not matter if the store shelves are full or empty. It does not matter if goods are being produced and transported. If you have access to those goods you have what you actually need and not paper promises to get them at some future date for an unspecified amount.

When people think about economic collapse they almost always think about how they will get the money they need to buy stuff. They do not realize that real goods are the actual key to getting by in those dysfunctional times until it is too late. Economic collapse almost always goes hand in hand with the lack of physical goods. You can do without the money but you cannot do without the goods.

In times of monetary dysfunction, real goods become the actual currency society relies on to survive day to day. Real goods can be traded and sold when fiat money is useless. Real goods are the real currency of the world and now is the time to realize that before the monetary crisis prevents the acquisition of those resources. A pantry full of food is worth more than two million in a frozen bank account.

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