

BUT WHAT IF I'M RIGHT?

Surviving Transformation of the
Global Financial System

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Published in the great State of Texas

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Introduction

The global financial system is breaking down. Signs that were apparent in 2003 became more obvious in 2008, when a “financial hurricane” struck US and global economies. Since then, fundamental conditions have worsened. The hurricane of '08 has returned, intensified and with a potential for global devastation.

This book is oriented to your financial survival. Its main purpose is to increase your awareness of true financial conditions and probable consequences, while supplying specific recommendations to assist you in preparing to deal with the world that will follow. To the extent that you consider the contents, you will be ahead of the crowd.

You will find this book to be different from other available information sources in several ways:

1. BWIIR connects the dots between present conditions, driving forces, potential outcomes, and defensive action. It will help you anticipate what's coming next and adjust your planning.
2. It is concise, in consideration of your time.
3. Its focus is on where we are going, with less attention to how we got here—again, in the interest of your time.

In addition, BWIIR is being maintained online, providing an additional advantage:

- The book contains many hyperlinks, indicated by underlined words or phrases. To help the reader conduct their own investigations or just deepen their knowledge, using the hyperlinks, we include a book-on-CD with each printed book we deliver (if ordered from Amazon, we send the information as a download, upon request).

Family Business Office also publishes updated information in its monthly “Transformation Watch” newsletter, which follows the format of the book. A 12-month subscription is **automatically provided** along with your book order, to keep you up-to-date. If ordered direct from Amazon, we will need your email address sent to us at service@familybusinessoffice.net.

I'm an American whose involvement in the financial industry brings me in contact with a great deal of information related to US and global economies and markets. In addition, my interest in the welfare of our supposed-republic has made me especially sensitive to information relevant to our steady loss of freedoms.

With an extended family of children, grandchildren, other relatives and friends depending on a healthy economy, I sincerely hope that the outcomes portrayed in this book do NOT come to pass. **But what if my conclusions are correct?**

Acknowledgments

Grateful acknowledgment goes to Ailana Denison (RIP) and Maritha Gan for their editing help and to Richard Fuller, whose eagle eye improved the book's focus. Cover art and the “Illuminati Pyramid” illustration were created by Scott Adams.

Caveat

For a number of reasons, we cannot and do not guarantee that any of the material contained in “But What If I'm Right?” will be accurate at all times. Also, we obtain information from a wide variety of publicly available sources and do not claim to have any sources of inside or private information.

Super-summary by chapter

Chapter One will demonstrate conclusively to you that not only has there been no recovery since 2008, a recovery is not possible. If you've already reached this conclusion, you should still read – and reflect upon – the last page (30) of the chapter before moving on.

Chapter Two contains detailed information about the global political force that has been working tirelessly for decades to undermine our economy and way-of-life—and the many active strategies it currently employs. It lists the major organizations involved and the elite's penchant for eugenics. George Carlin sums it up on page 39 (with a link to his video).

Chapter Three describes probable plans of the global cartel going forward, including what knowledgeable insiders are saying and doing. This chapter covers FATCA, false flags, ISIS, our police state, Jade Helm, the Trans-Pacific Partnership and visible signs of confrontation planning enroute to a "New World Order."

Chapter Four details the likely cause (unprecedented global debt) and trigger (massive derivatives) behind the oncoming implosion of US and other global economies. It also covers what money is and how it is created, Q/E programs around the world, the 2015 Fed interest rate increase, IMF SDR restructuring to replace the dollar, and the new AIIB and other Chinese-led initiatives.

Chapter Five contains information vital to protecting your savings, investment and retirement accounts. It covers rules, government actions and possible intentions—including bail-ins and theft—and provides details on government's ongoing "war on cash" and drive towards a cashless society.

Chapter Six identifies steps that an individual can take to survive financially and physically the increasing pressure and restrictions being placed on US citizens. It also provides reasons for optimism: a group called the Asian Elders, our own military, and increasingly-effective state nullification.

Chapter Seven walks you through the current desirability and availability of financial assets (fixed income, bitcoin, bonds and stocks) and real assets (things you can touch and feel, such as oil, steel, wheat and silver). It covers secular markets and desirable tangible assets, and prioritizes assets needed to survive.

Chapter Eight covers the reasons for holding gold, and where gold is headed in the near future. It summarizes ongoing manipulation and repatriation activity and cites parameters relative to gold's eventual peak. We believe gold broke out of its 4-year correction in December.

Chapter Nine looks at the world that awaits the survivors of this test of mankind. Many organizations, with Thrive being one of the most visible, are shutting off or ignoring the global power structure and creating communities and systems (over-unity energy in particular) that promise to sweep humanity to renewed heights of experience and enjoyment.

Chapter Ten is oriented to small-business owners, who in our opinion are the backbone of America and probable leaders of America's revival.

Appendices contain specific information developed for our clients:

Appendix A describes options for buying and holding gold and silver, and guidelines for converting them from electronic to physical form. It also touches on other metals and on mining shares.

Appendix B takes you through the many various means the government employs to monitor where we are, what we do, and what we say. It covers bank reporting requirements, the impact of internet neutrality, and the replacement of the Patriot Act. It also includes a lengthy list of steps that can be taken to minimize your electronic profile. *Specific assistance is also offered to help you navigate the internet in the event that the DNS system is disabled.*

Appendix C contains philosophies and specific ideas for hiding valuable assets.

Appendix D is a detailed description of precautions for avoiding theft of your identity and what to do about it if it happens to you.

Appendix E covers threats coming from the environment—some imagined, as in “climate change,” others real, as in Fukushima.

Appendix F provides background on EMP from the sun or a nuclear airburst, how to recognize the effects, and how to prepare yourself.

Appendix G deals with the premise that the US does not have a constitution: what that means and what to do about it.

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Chapter 1: FINANCIAL INSTABILITY

"The reality is that the recession that began in 2008 never ended for 95% of US households, and by many metrics the recession has deepened." – Charles Hugh Smith of *Two Minds*



The American faux-recovery. For more than six years, the US government and Federal Reserve have been telling us they are taking actions to stimulate an economic recovery, with increased jobs and a reversal of housing's decline. **Compare the data that follows in this chapter** with information and statements emanating from the government and mainstream media and ask yourself: **do available facts and figures support the concept of a US recovery?**

ShadowStats.com economist John Williams wrote: "A heavily-troubled 2015 has set up 2016 for disorders in the financial markets, systemic stability and the US political arena... Formal 'new' recession recognition is likely early in the New Year." Evidence continues to mount that **we are in a deflationary economic slowdown that is worldwide in scope**. The stage is being set for the takedown of America and the December 16 Fed interest rate increase (see page 78) has likely started the ball rolling.

Employment numbers released in December by the Bureau of Labor Statistics are suspect, especially preceding a Fed rate hike which needed favorable justifying economic conditions. Skepticism is thereby warranted with regard to recent reports—in which the BLS reported 271,000 jobs added in October and 211,000 in November 2015. Independent analysis cast cold water on the reports:

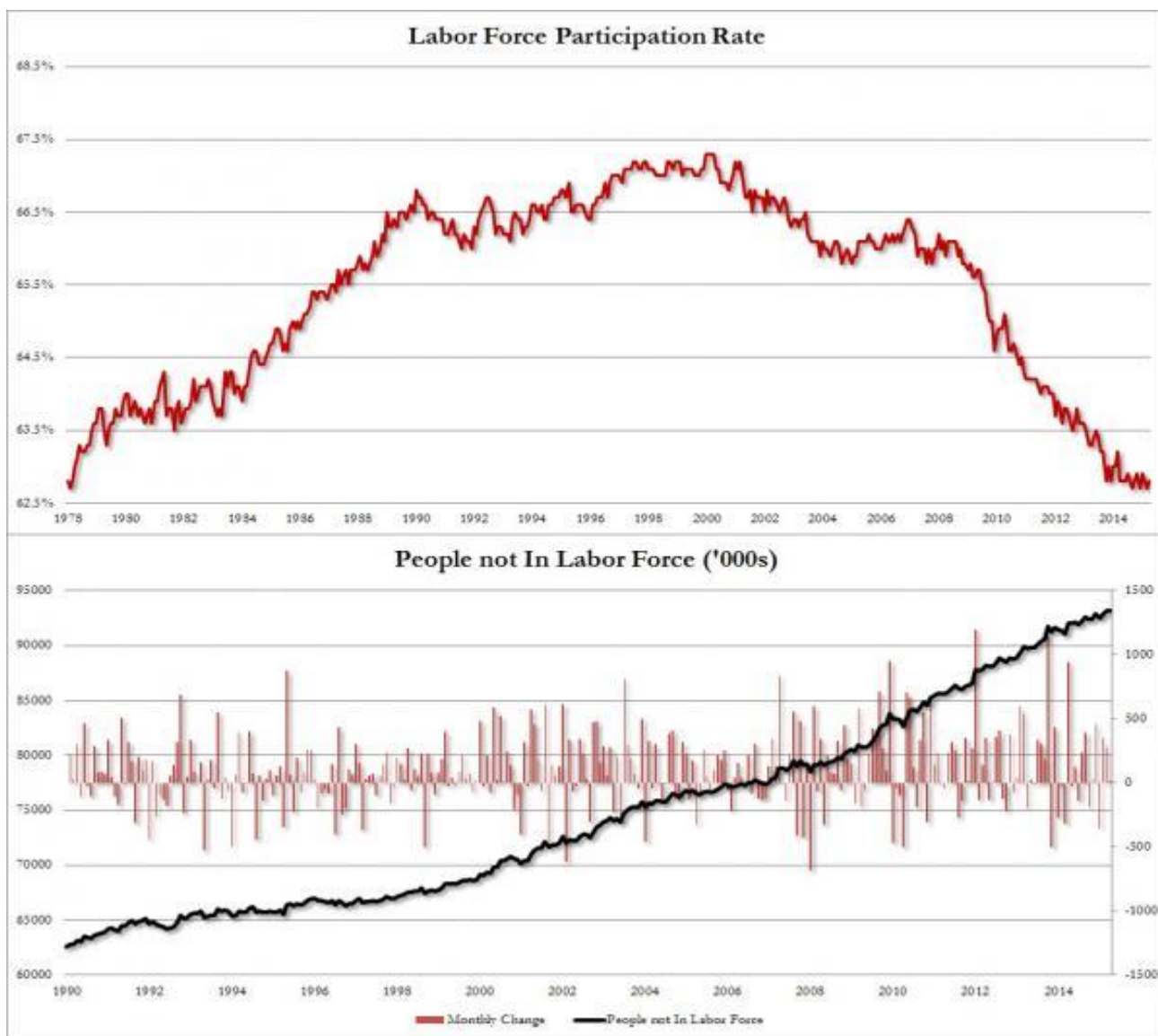
- More than half of October's jobs were "[estimated in](#)" by the BLS' infamous "birth-death" model—which assumes a normally functioning economy. So it's likely that the BLS overestimated jobs from new business formation and underestimated losses from business closures. Further, while the 55-69 age group added 378,000 (mostly part-time) jobs, the 25-54 age category sustained a 35,000 net job loss. So [full-time breadwinner jobs are being replaced by part-time jobs for seniors!](#)
- ShadowStats noted that analysis of November's report showed so much double-counting of individuals holding multiple part-time jobs that the real increase of full-time jobs netted out at only 3,000.

Ex-US Congressional Budget Office Director David Stockman [summed up](#) November's report: "These artifacts of the BLS' seasonally maladjusted, trend-cycle modeled, heavily imputed, endlessly crafted and

five times revised 'jobs' numbers have precious little to do with the real health of the main street economy."

As far as the BLS' reported drop in the unemployment rate from 5.1% to 5.0%, it actually fell from 5.05% to 5.04%. A factual estimate of ACTUAL unemployment from ShadowStats.com puts it at 22.9%, with figures calculated as they were in the 1980's, to wit, including underemployed workers (working reduced hours or at a lower skill-level) and those who have stopped looking for a job. The average length of unemployment is now twice that of 2001.

Labor force participation. While the government has reported over one million jobs "officially" added since 2007, the number of Americans 16 years of age and older who are not participating in the labor force has reached 94.7 million. Adding that to the 7.9 million who are officially unemployed gives us a total of [102.6 million](#) working age Americans that do not have a job right now—resulting in the lowest Labor Force Participation Rate since 1977 at 62.5%, and the lowest rate for men ever recorded.



Since 2007, 14 million new Americans entered the workforce seeking a job and only 3 million were able to find one! **If the economy is in recovery, why is the percentage of the population at work at its lowest point since 1977?**

Quality of life for the 99%.

- 48 million—or one in seven—Americans [rely on food banks](#) to survive.
- Nearly 20% of American families are on food stamps, including [one in five US children](#), at an annual cost to the country of nearly \$1 trillion. The majority of food stamp recipients are now [working-age US households](#).
- The number of Americans (108 million) receiving [means-tested](#) (meriting assistance) [welfare benefits](#) is now greater than the number of full-time workers.
- Only [44% of US adults](#) are employed for 30 or more hours per week. A shocking [20 percent of all families](#) in the United States do not have a single member that is employed!
- 76% of Americans are living [paycheck-to-paycheck](#). According to the US Census Bureau, [one in five young adults](#) – 18 to 34 years old – live in poverty. (That's up from 1 in 8 in 2007.)
- Pew Research Center reported that a record 57 million Americans, or 18% of the population, live in [multi-generational arrangements](#)—more than double the level of 1980—and that 36.4% of women age 18 to 34 are [living with](#) their parents.
- The number of [homeless students](#) attending public schools has increased 72% to 1.2 million.
- Pew Research Center reported that the [median net worth](#) of families in the US has fallen 40% since 2007, from \$137,955 to \$82,756 today.



- Half the nation's households have virtually [no cash savings](#) and most of the remainder are still too indebted to revert to borrowing. 40% of Americans are [unable to come up with \\$2000](#) to deal with an emergency. If you have no debt and \$10 in your pocket you have a [greater net worth](#) than about 25% of Americans.
- Research shows 1.5 million American households and 3 million children are [living on less than \\$2 a day](#).
- How does [\\$30,000 a year](#) sound to you? Fifty-one percent of Americans make less than that. Then compare it to the federal poverty level for a family of five at \$28,410.
- The "average" yearly [wage last year](#) was \$43,041, down an inflation-adjusted \$79 from 2012. For the bottom 90% of Americans, [financial security is slipping away](#).

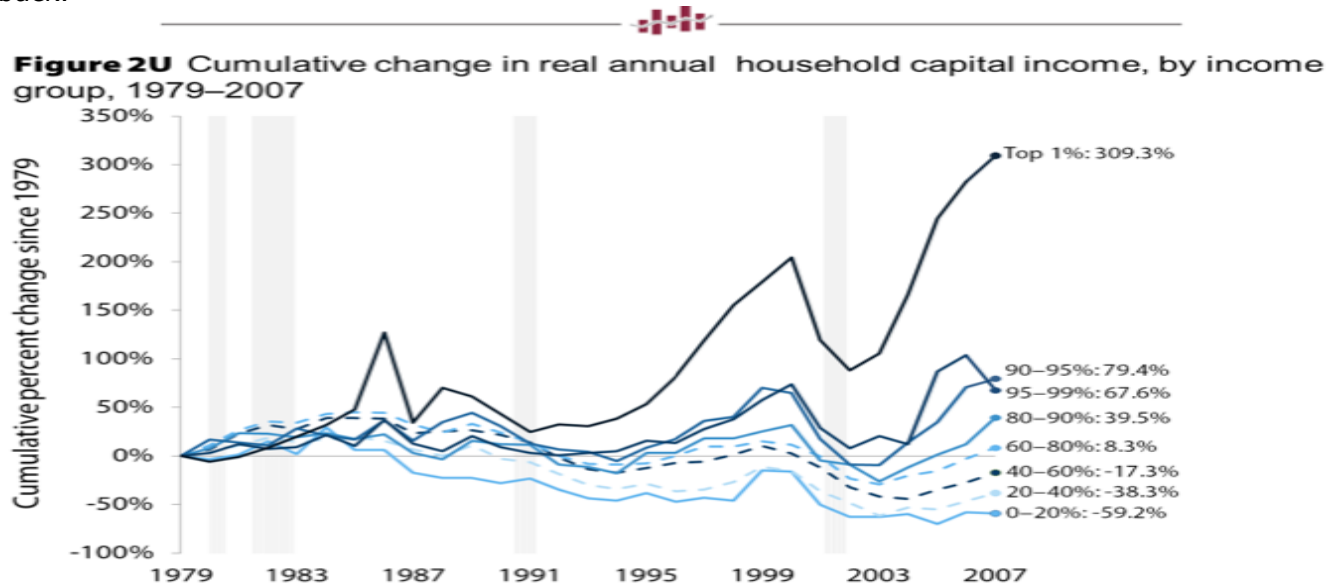
Gallup reported that American confidence in government is collapsing. Its poll shows those who trust the Supreme Court has fallen to 30% and the President to 29%, while confidence in Congress has collapsed to 7%.

In February 2015 Gallup CEO Jim Clifton went on *America's Newsroom* to explain [misleading government numbers](#). "The number of full-time jobs, and that's what everybody wants, as a percent of the total population, is the **lowest it's ever been**. The other thing that is very misleading about that number is the more people that drop out, the better the number gets. **In the recession we lost 13 million jobs. Only 3 million have come back.** You don't see that in that number." Clifton said the unemployment rate is really 11.2%. (ShadowStats 23.9% figure also counts discouraged workers who have stopped looking for a job.) Clifton later wondered aloud publicly if his life was now in danger as a result of his disclosure.

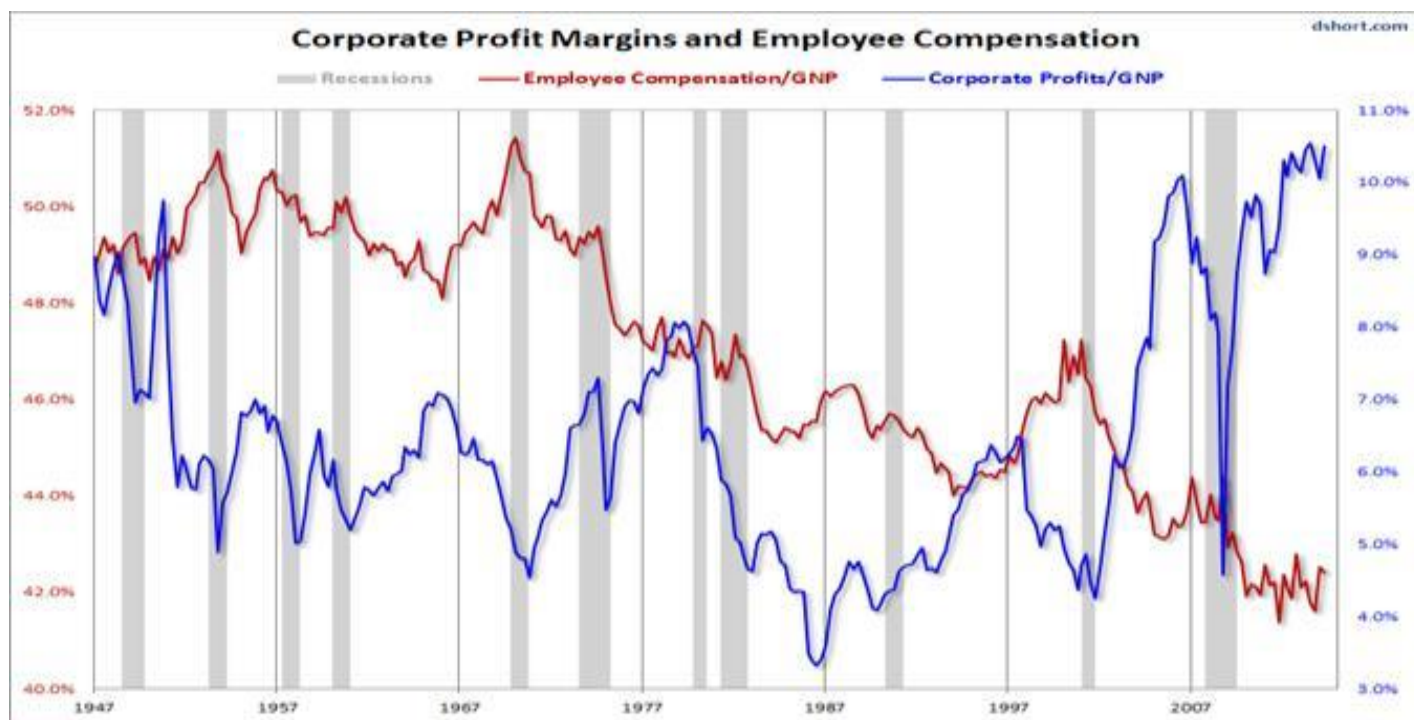
Bottom line, **the [American middle class](#) is being exterminated!**

Planned obsolescence. Yes, one group HAS benefitted, as the following graph illustrates: the rich are getting richer. Recent figures show that the top 10% of households now own over 90% of outstanding stocks and mutual funds, up from 85% in 2001, with the richest 1% owning almost half. The [gap](#) between rich and poor has reached an all-time high. According to Oxfam [the richest 1%](#) has more wealth than the rest of the world, and the [top 0.1% alone](#) has as much wealth as the bottom 90%—and the global elite like it that way. The wealthiest one percent captured 95 percent of the post-financial growth since 2009, while the bottom 90 percent became poorer.

While the 99% see their way-of-life deteriorate, the 1% find better ways to protect what they have. A New York Times article described how the richest Americans—employing high-priced help—are able to [keep taxes low](#) through a dizzying array of tax maneuvers. Example: by routing their money to Bermuda and back.



The 2014 Global Wealth Databook chronicles the fall of not only the middle class, but also the upper middle class. [Wealth is flowing](#) "incessantly to an elitist group of people who are simply building on their existing riches"... Corporate America is hastening the [demise of the middle class](#).



How about housing? New home sales rose in October, but remain stagnated at a low level; [housing starts](#) collapsed to a 7-month low, with multi-family unit starts off 25%. Homeownership dropped to a 48-year low, and 41% of Americans who do not own a home responded to a [Gallup Poll](#) by saying they do not think they will buy a home in “the foreseeable future.” That compares to a 31% response to the same question just two years ago.

[Zero Hedge reported](#) that Chinese purchases of American housing—which drove high-end housing prices upwards for several years—are tumbling as a result of draconian capital controls imposed by the mother-country. The Wall Street Journal confirmed the development, headlining: “Chinese Pull Back From US Property Investments.” Consequently, Manhattan [luxury-home](#) prices have fallen for 8 straight months.

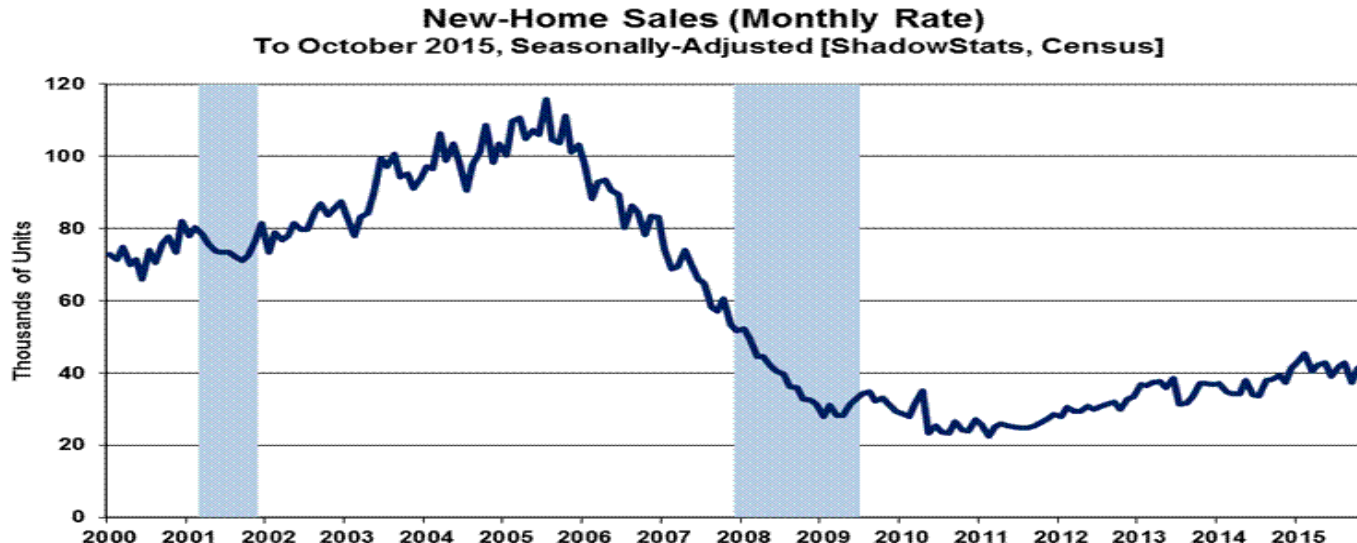
[Subprime lending](#) has returned to prime time, with loans being issued at 80% loan-to-value and higher and FICO scores over 500 needing only 10% down. And no need to produce a tax return; they’ll take your word for it.

Nearly 10 million Americans, representing 19% of homeowners with a mortgage, remain financially trapped by homes worth less than their mortgage debt. Another 18% are “effectively” **underwater**, with their [home equity so low](#) that the **proceeds from selling their home would be insufficient to recoup the sales costs and also put a down payment on a new property**. This is a major factor in explaining why there is a shortage of homes available for sale: people cannot afford to move.

And nearly eight million homes have been [lost to foreclosure](#) since the 2004 peak.

According to Reuters, “many thousands of Americans who lost their homes in the housing bust, but have since begun to rebuild their finances, are suddenly facing a [new foreclosure nightmare](#): debt collectors are chasing them down for the money they still owe by freezing their bank accounts, garnishing their wages and seizing their assets.”

Here’s an up-to-date snapshot of the “housing recovery,” from ShadowStats.



Retail sales remain stagnant-to-depressed, with [chain store sales](#) starting to collapse, following a disappointing Black Friday... Early [holiday credit card sales](#) declined for the first time since the last official recession... The wholesale [business inventory-to-sales ratio](#) is surging, now at a cycle high—the highest since 2008, and deep in recession territory... Auto loan madness continues, as [US car buyers](#) are taking on record debt, while agreeing to lunatic financing terms.

David Stockman wrote that [after 15 years of stimulus](#) “the number of breadwinner jobs in the US economy is still 2 million below where it was in 2000 and [median income has fallen](#) from \$56,000 per household in 1990 to just \$51k. But over the same period shopping space has more than doubled, from

19 square feet per capita to 47 sf. The result, says Stockman, is massive **retail overexposure**; he uses Walgreen's as an example, and includes an article written by Jim Quinn citing "The **absolute collapse in retail visitor counts.**"

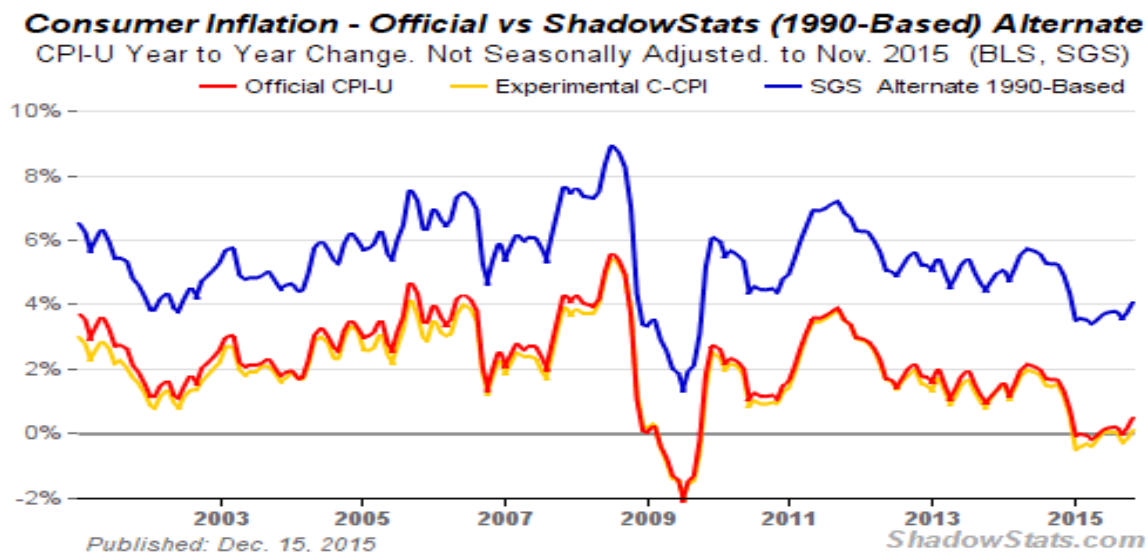
Durable goods orders have fallen year-over-year for [7 consecutive months](#)—a trend which has not previously occurred without a recession... [Caterpillar has suffered](#) 35 months of consecutive declining retail sales. In an attempt to recover some of its leased inventory in the event of non-payment, CAT is now able to remotely disable the equipment. But unfortunately there is plenty of CAT equipment available on the secondary market. As an example this Caterpillar 992C wheel loader, previously worth \$2.9m, sold recently at auction for \$15,000.



Gross Domestic Product (GDP) measures the dollar value of each year's output of final goods and services. It is calibrated in both current- and constant-value dollars. It measures things that people pay for. If you mow your own lawn, GDP is not affected; if you pay an illegal immigrant to do it, GDP goes up. GDP figures are released monthly by the government, but its ability to measure the actual status of the economy is highly questionable. For example, repair of damage from a hurricane is registered as GDP, even though homes and lives have been ruined. Charles Hugh Smith wrote that GDP as a [single measure](#) of economic health is "irrevocably flawed."

Third-quarter 2015 GDP was revised to 2.1%, in what ShadowStats John Williams termed "nonsense reporting." Williams noted that GDP numbers were "dominated on the upside by inflated inventories, which more than offset downside revisions from weakening personal consumption and a widening trade deficit." ShadowStats maintains that the US is most likely **already in an official recession.**

On a longer timeline, economists John Dawson and John Seater calculated that one result of government regulation was that GDP at the end of 2011 would have been \$53.9 trillion instead of \$15.1 trillion if regulation had remained at its 1949 level.



Core inflation was a negative 0.1% in December, as a 3.7% [rise in costs for shelter](#) nearly offset falling energy prices. While the Bureau of Labor Statistics (BLS) is reporting no inflation, [ShadowStats](#) alternate CPI-U is sitting at 4% (annualized).

The difference in views is because the government's "core" inflation figure (CPI-U) EXCLUDES price fluctuations in the cost of **food, energy, healthcare and education** and uses of a number of other tactical adjustments (such as "[substitution](#)" and "[hedonics](#)") to convince us that inflation is not a problem. Anyone who has been to a grocery store knows otherwise. Yet, the government continues to describe inflation according to its twisted guidelines, while keeping a straight face.

The Chapwood Index was created in 2008 as an alternative to distorted government reporting of our cost of living. [Located here](#), data compiled by Chapwood Investments, LLC, covers price changes for 500 items, and "solidly supports what many Americans have suspected for years." For example, it shows 8.3% inflation in Dallas over the 12-month period through June 2015.

Business is slowing down. [Factory orders](#) have collapsed to their lowest level since the 2009 lows and [industrial production dropped](#) 0.4% in December, the most since May 2008. Not surprising then, that CNN reported American [CEOs aren't optimistic](#) about the 2016 US economy. They are generally NOT making plans to hire, beef up research or invest in new equipment any time soon.



US layoffs in 2015 were close to 500,000, mostly in the [oil patch](#), but also including HP, Microsoft, Proctor & Gamble, JPMorgan Chase and Radio Shack. And [5000 at Caterpillar](#). Bill Bonner: "Yellow machines move dirt. They are used in construction, mining and every sort of resource industry. We're talking about backhoes, tractors, forklifts, excavators, bulldozers and loaders. Two of the biggest suppliers are Caterpillar in the US and JCB in Britain. Both report catastrophic drops in sales." Caterpillar expects a 5% fall next year, which will mark the first time in its 90-year history when Caterpillar sales will have fallen 4 years in a row.

Fastenal's CEO Dan Florness disputed an analyst's assessment that we're currently in a "non-recessionary environment" with "The [industrial environment is in a recession](#). I don't care what anybody says, because nobody knows that market better than we do. You know, we touch 250,000 active customers a month."

Wal-Mart announced a 12% earnings drop and [plan to close 269 stores](#), affecting up to 16,000 associates... McDonald's began closing franchised and company-owned locations last year and has now closed nearly 1000 stores, as franchise owners [voice increased concerns](#)—with one owner remarking that the company is literally "facing its final days."

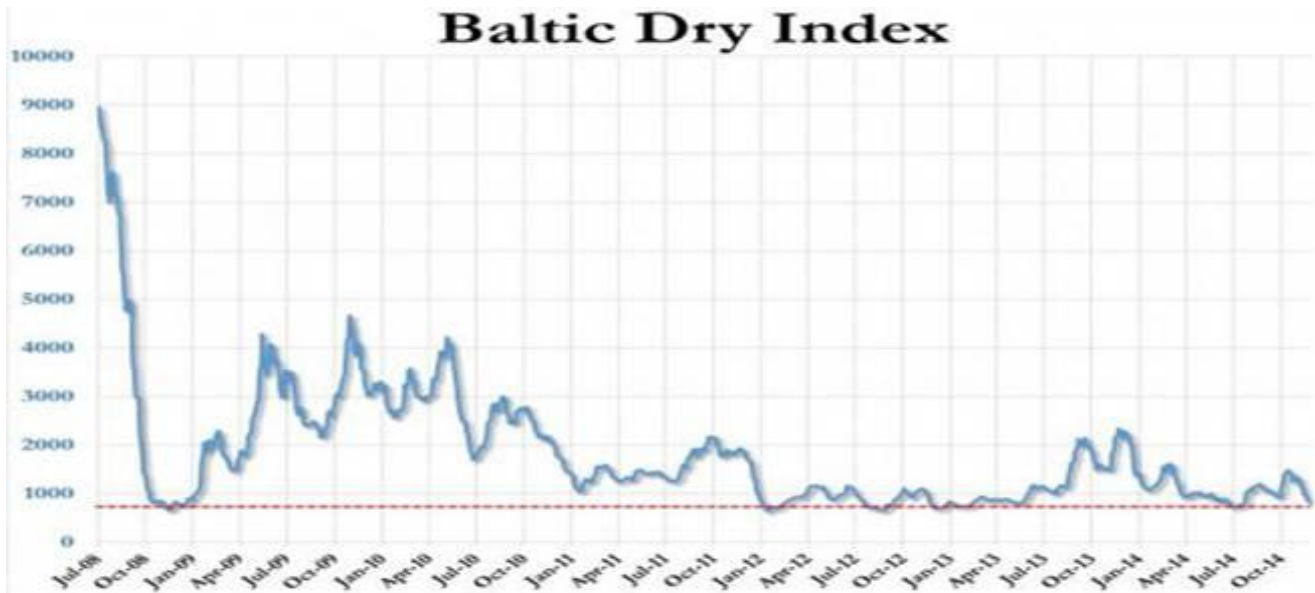
Major international [banks are also cutting](#): 30,000 at Barclays, 23,000 at Deutsche, 10,000 at Italy's UniCredit. 2,000 at [Citibank](#). And as an exclamation point to the severity of the global collapse of commodities, Chinese coal miner Longmay Group fired [100,000 workers](#)—40% of its workforce.

[Independent Living](#) wrote: "Among the 100 million+ who've dropped out of the workforce, the coming debt crisis will feel like it's raining hammers. Widespread desperation, accompanied by more and more police balking at legitimate law enforcement for fear of prosecution... As violence escalates, nationalization

of local law enforcement is coming at us like a freight train. Going forward, even affluent neighborhoods will see organized assaults."

Global trade [The Cass Freight Index](#) reported a 5.3% drop in year-over-year shipments, to the lowest level for an October since 2011. It cited "bloated inventories and the shadow of a **possible interest rate increase by the Federal Reserve.**"

The Baltic Dry Index, which measures the cost of shipping dry goods, has [collapsed as it did in 2008](#)—this time to an all-time low, as declining Chinese steel production translates into declining imports of iron ore—amid a persisting glut of ships... Maersk, the world's biggest container shipping company, announced a 17% cut in headcount, and CEO [Nils Andersen said](#) that "The world's economy is growing at a slower pace than the International Monetary Fund and other large forecasters are predicting."



[Railroad cargo](#) in the US dropped in December the most in six years to a level that—in all five previous readings preceded or was accompanied by economic slowdowns.

"Pure fiction." That's what Wynn Resorts owner Steve Wynn termed [talk of a broad recovery](#). "The idea that America is in the midst of a great recovery is pure fiction. It's a lie. It's a jobless recovery. Because recoveries are marked by the level of real employment. And if you count the people who have left the work force, real unemployment is 15 to 20 percent."



So... we've been in this "Great Correction" now for seven years. Millions of people have given up hope and stopped looking for work. Suicide has replaced car accidents as the Number 1 threat to

working-age Americans. With new US Census Bureau numbers showing an 8% decline in inflation-adjusted median household income since 2007, [recovery clearly hasn't happened](#).

If not a recovery, then what? For more than five years we have been reading predictions from highly-credible, independent financial professionals—including Mark Faber, Jim Rogers, Richard Russell, Jeremy Grantham, Jim Rickards, James Grant and Jean-Marie Eveillard—calling for some level of global financial collapse. Casey Research's David Galland summarized the opinions of 37 presenters at two major 2012 investment conferences: not one saw a recovery taking place, nor did any of the presenters think government actions were helping.

Galland's takeaway from the two presentations and ensuing discussion was that each of the 10 largest global economies **except Russia** (which has natural resources and relatively low debt) have already passed viable points of recovery and are "accelerating" together towards "collision with a wall," which is likely to mark **the end of the global financial system as we know it**. This collision would occur in the near future, at which point government will have to retreat—radically reducing taxes and regulation and restoring sound money. In the meantime, it will likely use force to maintain itself.

Doug Casey is among those who maintain we have yet to recover from the financial hurricane that struck in 2008. The effects have been papered-over with seven years of government stimulus and Fed money printing programs, creating an "eye" from which we are now emerging. Welcome to the backside of the great financial hurricane of 2008!



Our government is insolvent. The US sports an \$19 trillion national debt, one that exceeds our annual GDP—a 105% debt/GDP ratio rivaling that of Greece. If all government functions (\$1.3 trillion for defense and other "discretionary" expenses) were shut down tomorrow, the budget would barely balance.

[Here are the (approximate) figures: the US Treasury receives about \$2.5 trillion in annual revenue. Subtracting \$2.3T for **mandatory** spending (entitlements) and \$0.2T for interest expense, leaves ZERO to fund "discretionary" items—which includes the military, cabinet departments (Energy, Education, etc.) and independent agencies (such as the Environmental Protection Agency).]

For comparison, consider this: China, which holds about \$1.2 trillion in US debt, earns nearly enough interest on its Treasury holdings, at 2%, to fund its entire military budget. One reason the Fed has been holding interest rates down is that as rates rise our interest payments will follow, sharply enlarging the deficit.

In addition to the national debt, the US government also sits on unfunded obligations to pay **future** retirement and medical benefits (social security and Medicare/Medicaid), estimated at over \$100 trillion.

These debts will obviously NEVER be paid with real money (nor will those of any other developed sovereign nation). **So, we REALLY are broke!**

The Patient Protection and Affordable Care Act (PPACA), otherwise known as “ACA” or “Obamacare” remains in the daily news. From website SNAFUs and constantly changing guidelines, we progressed in 2015 to a second test of the law’s constitutionality, which resulted in “ScotusCare”—a term coined by Justice Antonin Scalia to rebuke his colleagues for upholding Obamacare subsidies for participants on the federal exchange.

[The Chief Justice](#), under obvious political pressure, announced that the Court could interpret the “meaning of ordinary words” in the document better than the drafters, and that therefore participants on the federal exchange were eligible for subsidies after all. Their ruling blatantly ignored an admission from MIT professor of economics and key Obamacare architect [Jonathan Gruber](#) that the legislation was drafted into a 33,000 page document to deliberately confuse America. “If you had a law which said explicitly that healthy people are going to pay in and sick people get the money, it would not have passed. Lack of transparency is a huge political advantage. And basically, call it the **stupidity of the American voter**, but basically that was really, really critical to get the thing to pass.”



Following is a short list of the most significant ACA developments:

- Obamacare is becoming a [death wish](#) for the US economy—as employers are incentivized to keep employee weekly work hours below 30, turning the US into a nation of part-time workers. Note: I can personally vouch for this development, through first-hand experience with insured companies.
- Employers in some states with over 50 full-time employees are required to provide compliant coverage in 2016 (companies with over 100 met that requirement in 2015), or pay penalties.
- Healthy young uninsured individuals are refusing to sign up, even though the uninsured mandate [penalty increases](#) for 2016 to \$695 per adult, plus \$347.50 per child, to a maximum of \$2,085 per family or 2.5% of family income. **But please see below*.**
- Participation has fallen about 15% from the enrollment period ended in February 2015 to about 10 million, according to the [New York Times](#). Although the administration’s expectation was that 21 million would sign up by the end of 2016, it now expects only 13 million.
- Rates are climbing: the most popular “Silver” plan will cost an average of [13% more](#) in 2016. Rates are up 23% in Idaho, 25% in Kansas, and up to 45% in other areas.
- Doctors are closing shop or refusing to accept insurance. Hospitals are restricting acceptance of federal exchange patients. Insurance carriers are withdrawing coverage in individual states. [United Healthcare](#) regrets entering ObamaCare. State exchanges are having problems staying viable.

- Twelve of the 23 non-profit insurance plans created under Obamacare in 2011 [closed by year-end 2015](#). This is because their losses, caused by “unexpectedly high” medical claims, exceed what the government is willing to cover.
- Figures from the [Kaiser Family Foundation](#) indicate the average family will soon have to decide between food and healthcare.
- Two ACA taxes due to kick in for 2016 have been delayed: collection of the health insurance providers fee is pushed to 2017, and the medical device tax will start in 2018. Implementation of the “Cadillac” tax on high-cost plans was extended from 2018 to 2020.



* A tax expert writing for Forbes noted that Obamacare offers [little to no repercussion](#) for anyone who avoids coverage. No jail time, no liens on property, no levies on wages or accounts. *The IRS might seize your tax refund, but that can easily be avoided by **under-withholding**!*

On an obscure ACA web page, “Questions and Answers on the Individual Shared Responsibility Provision” we find: “*The law prohibits the IRS from using liens or levies to collect any individual shared responsibility payment. However, if you owe a shared responsibility payment, the IRS may offset that liability against any tax refund that may be due to you.*”

So if you always **underpay** your taxes and never have a refund coming, you can avoid ACA penalties indefinitely. **If enough people render Obamacare unworkable by opting out of it en masse, perhaps it will collapse of its own weight.**

For those of you wondering what happened to the money Americans are saving at the gas pump, fourth quarter GDP statistics show that Obamacare pulled the largest share, as [health spending](#) increased \$14 billion to an all-time record.

ACA invasiveness is tied to Controller objectives (see chapter 3): it requires enrollees to reveal a great deal of personal information, including details about their employer, location, family, bank and tax-filing status. Former Social Security Commissioner Michael Astrue called the online healthcare exchanges “the most widespread violation of the federal Privacy Act in our history.” It also modifies Medicare and denies treatment for cancer for individuals age 76 or older. ACA is an unmitigated disaster for the middle-class and it is all about control, not healthcare. And as feared, it is sucking the remaining life out of consumer spending- with rippling effects across markets.

Hadley Manning, health policy director at the Independent Women’s Forum, argued in a piece for [US News & World Report](#) that rather than helping the uninsured, the ACA’s “far greater impact has been to shift already-insured people into lower-quality, government-controlled health plans by massively expanding

Medicaid” and offering exchange plans with “limited networks, low physician reimbursement, and high public costs.” Indeed, a McKinsey and Co. study found that 70 percent of ACA plans offer “narrow” or “ultra-narrow” networks, compared to 23 percent of large-group non-ACA plans. “The exchanges have become very much like Medicaid,” said Andrew Kleinman, president of the Medical Society of the State of New York.

So hundreds of thousands of people, especially the elderly and newborns are likely to be **without medicine and acute care—and will die**. Obamacare will function more like an [eugenics](#) program, comprising part of the Controllers plan (Chapter 2) to ostensibly terminate billions of people worldwide.



In July 2015 I wrote: “rates will now ratchet upwards in a classic ‘death spiral,’ as exchange participants grow ever sicker. Healthy businesses will flock to self-insured plans to avoid the spiral. After a time, the feds will accuse the insurance industry of irresponsibility and add a government option (which it can price at any lower rate it chooses). We will then have a single-payer system like those of Canada and the UK.” I stand by my prediction. THAT IS THE intended END GAME.

[Senator Pat Toomey agrees](#), as does Dr. Lee Hieb, past president of the Association of Physicians and Surgeons who noted that a [“death spiral” already exists](#) in the Affordable Care Act. Spiraling occurs in voluntary insurance plans—which how the ACA is constructed—when healthy people leave the plan due to escalating premiums, resulting in insurance company rate increases to cover remaining sick members, causing further desertion by semi-healthy members.

(Click the **ICON** on [our website](#) for more information on the Affordable Care Act and available alternatives – we are in that business.)

Control your own healthcare. Independent Living recommends accessing the “same reference book doctors use”—the Merck Manual, a how-to guide for doctors covering everything from diagnosis to treatment for most maladies. You can download a free copy for your household [here](#).

Sharing ministries. People may be able to avoid the Obamacare mandate while being **legally exempt** from the penalty and still able to retain a form of comprehensive medical coverage. [Healthcare sharing ministries](#) are essentially self-funded insurance pools formed by groups who claim and demonstrate a religiously-oriented conscientious objection to health insurance coverage that pays for abortions and other un-biblical/non-religious medical practices.

One of the largest is [Samaritan Ministries](#), which restricts membership to Christians who can provide evidence of good health. S.M. participants write checks not to insurance companies, but directly to other members who have incurred medical expenses. Participant “monthly shares” (in lieu of premiums) are extremely low—currently \$405 for family coverage. S.M. has forty thousand members and appears to have a healthy reserve fund—which is a key to long-term viability of a such a self-funded group.

Other general recommendations in light of PPACA:

Look into ‘concierge’ practices, in which doctors require direct payment and do not accept any kind of insurance.

If you own a business with 5 or more healthy employees, consider partially-self-funding your plan. (Check [our website](#) for more on this subject.)

Look outside the country, or consider alternative medicine, if the system doesn't work for you.

Epidemics. An Ebola "epidemic" surfaced in 2015, then faded away. Jon Rappoport, looking at Ebola from a "[who benefits?](#)" perspective cited as beneficiaries: (1) public distraction from messy Middle East wars; (2) increased public conditioning; (3) big pharma sales; (4) expanded CDC influence; (5) increased mega-corporation influence over West African resources; (6) DOD and DHS expansion of control; and 24 other beneficiaries. However, even if the threat of Ebola is overblown, [your life is likely to change](#) as a result.



As we go to press, a new virus named [Zika is spreading](#) and causing near-panic in Brazil, which is host to the 2016 summer Olympics. Zika was first isolated in 1947 by scientists working in Uganda for the Rockefeller Foundation. By "coincidence," the center of the current Zika outbreak is in the same area where [genetically-modified mosquitoes](#) were released in 2012... If cases of these viruses spread into [major cities throughout America](#), be prepared to stay at home as much as possible. Also be aware that on November 22, 2014, Robert Rowen and Terri Su announced an [Ebola cure](#) costing \$40 and resulting in complete recovery within a few days. In addition to Ebola, a host of other diseases are making their way across our open southern border: [chagas](#) and [chikungunya](#), for example.

Municipal trauma. In testimony to the power of the human spirit, [Detroit emerged from court protection](#) in 2015, closing the largest (\$18 billion) municipal bankruptcy in American history. Chicago appears to be next in line, with a 2015 bond downgrade by Moody's to "junk" complicating the city's [financial problems](#). Planned refinancing of two billion dollars of floating rate debt into fixed rate notes is becoming nearly impossible. The windy city's financial rating now equals Detroit's, just prior to its bankruptcy.

Illinois is not alone. Standard & Poors reported that [after six years of "recovery,"](#) a "majority of states are making cuts, tapping reserves or facing shortfalls. Thirty-two states faced budget gaps in fiscal 2015 or 2016 or both. "The extent of weakness is really impressive." Eric Sprott noted that "Every level of government has **promised too much** and is now faced with the politically unappealing prospect of either drastically increasing taxes or significantly reducing retiree benefits." As a result, tens of millions of Americans that are enjoying or looking forward to [retirement](#) are likely to find broken promises and heartache instead. By some accounts, we are now entering a very serious [retirement crisis](#).

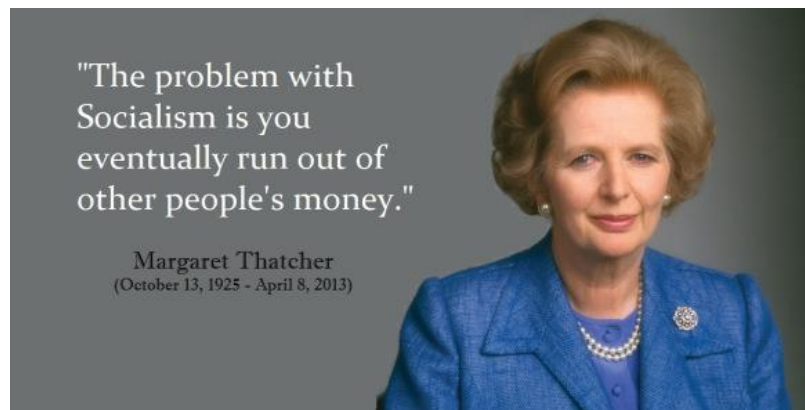
JP Morgan pointed to [five states in particular](#) which are dealing with overwhelming debt service-to-revenue ratios: Illinois, Connecticut, Hawaii, New Jersey and Kentucky. Rapid collapse of weakened municipalities seems to be in the cards as the financial transformation deepens. These appear to be the first states where property owners are likely to be faced with MUCH higher tax rates.

Global funk. Looking for some encouragement from elsewhere around the globe, we find:

- **Europe**, apparently headed for collapse, as forced immigration reverses the "[Schengen](#)" (European open borders) agreement—a cornerstone of the European Union. Refugees flooding into Europe resulted in Germany closing its borders with Austria, which has in turn closed its border with Hungary. Martin Armstrong wrote that "we are more likely than not going to see the freedom of movement in Europe fragment and that will be the crack that signals the [eventual breaking up](#) of the EU idea of empire-building."

Jurgen Stark, who resigned positions as Bundesbank VP and European Central Bank chief economist in 2011 to protest the ECB's bond manipulation, told the Mises Institute in Germany that the ECB "has completely lost all ability to control or even maintain its perspective on the economic situation." Stark said the existing economic system is "[pure fiction](#)" and added in a subsequent lecture in Paris that the fragile recovery in Europe is due to slow deleveraging and lack of structural reforms. In other words, the European Union has simply papered-over the real problems. In the words of UK Telegraph writer Ambrose Evans-Pritchard "Europe remains a [jobless swamp](#)."

Hence, it appears that the global breakdown will start in Europe. As Martin Armstrong observed, it's hopelessly burdened with social programs and no amount of austerity will reverse its economic decline.



[Jeff Thomas](#): "The EU was never intended to serve the people of Europe, it was meant to empower the rulers of the countries of Europe and to subjugate the European people. Its days are numbered, but the cost of its demise will be borne by the people of Europe."

Austria. 260,000 Austrians signed an [EU exit petition](#), forcing a debate in the Austrian parliament.

Britain will vote on a referendum by the end of 2017 that would allow it to [exit the EU](#). If the UK votes to leave, its departure will be clouded with questions.

Denmark voted [against further integration](#) into the EU's justice and home affairs laws.

France's [far-right National Front](#) party increased its presence—even as the French government gerrymandered it from gaining a controlling position in French politics. NF leader Marine Le Pen said that the French "don't want to be led anymore from outside." NF is on record in favor of ditching the euro... Martin Armstrong wrote that France is bankrupt, "[destroyed single-handedly by Francois Hollande](#)," who recently admitted publicly that the French economy is now in a state of "[economic emergency](#)." With official unemployment over 10%, France was downgraded by Fitch from AA+ to AA as it [drifts into deflation](#).

Germany is the core of the European economy. In August, its [industrial production collapsed](#) 4% from July, versus an expected 1.5% decline. And in January without warning, Germany [sent the](#)

[latest group](#) of refugees to Austria, prompting an Austrian spokesman to observe that “the welcome culture is finished.”

Greece. After six years of austerity, 36% of Greek citizens are [living in poverty](#).

Italian official unemployment remains in double-digits, with resistance to EU austerity measures taking the form of protests and general strikes, increasing the possibility that Italy may also [decide to leave the EU](#). “German culture (from Angela Merkel) cannot be force-fed to Southern Europe.” Italian Five Star Movement leader [Beppe Grillo](#) is collecting signatures for an Italian referendum to leave the euro “as soon as possible.” Grillo remarked that “We are not at war with ISIS or Russia, we are at war with the ECB.”

Poland’s opposition Law and Justice Party won elections, seeming to solidify an assumption that it will [NOT be joining](#) the European Union.

Portugal’s ascendant Socialist Party [vowed to defy austerity](#) demands from the country’s creditors.

Scottish nationalists want to cut their 300 year old tie to the United Kingdom.

Euro zone activity has declined for [seven quarters in a row](#), and didn’t do itself any favors by slapping American-influenced sanctions on Russia—resulting in a further loss of business.

- **Russia.** William Engdahl maintains in this [eloquent article](#) that rather than feel humiliated and depressed Russia is undergoing a kind of renaissance. But other than building a pipeline through Turkey and Greece, Russia doesn’t have enough strength to sponsor global growth.



- **China’s** real estate bubble is legendary. Gerald Celente: “Imagine every [US] state governor borrowing \$10 billion from the federal government to build a city to suit his own vision. The result is China’s Ghost Cities—sprawling new cities with almost no one living or working in them.” Ten new cities a year were built, but in an economy where the average worker’s annual income is between \$2,000-5,000, few can afford the lowest home price of \$160,000. Celente notes that these cities are being financed by a shadow-banking sector. Chinese authorities make noises about cooling the market, but can’t really afford to.

China essentially admitted [it has been lying](#) about not only its local debt exposure but the level of non-performing loans across the economy. Sheng Songcheng of the People’s Bank of China added that Chinese companies are not optimistic about business prospects. Zero Hedge’s Tyler Durden estimated that of the country’s “\$26 trillion in deposits, approximately \$3 trillion are non-performing—a third of Chinese GDP.” (Other estimates are higher.)

So the Chinese economy that has been fueling global growth has become vulnerable, with a huge real estate bubble and out-of-control shadow banking system, compounded by falling exports and rising inflation. Growth has slowed below 5%, perhaps closer to zero growth. A massive \$600 billion stimulus program in 2012, coupled with loosened bank-credit policies, hasn’t been any more effective than our Fed’s Q/E. Hedge fund manager Kyle Bass reported that China’s economy is

[contracting](#) under the weight of non-performing real estate debt. Its households are reported to be [massively exposed](#) to a housing bubble that has to burst (sounds like Japan in the '80's?). Bass also anticipates slowdowns at Chinese trading partners—Australia, New Zealand and Brazil.

- **Japan** is COLLAPSING under the weight of astronomical debt, plunging savings and spending, and an aging population. Prime Minister Abe's go-for-broke attempt to increase its GDP through mammoth Q/E [destabilized its government bond market](#). By buying nearly all government bonds, the Bank of Japan sapped liquidity from the market, threatening to create enormous volatility and bring down the entire house of cards that comprises the Japanese credit system. Fitch joined Moody's and [downgraded Japan's credit rating](#) to "A" after its government failed to take steps in 2015 to offset a delay in a sales tax increase. Japanese government debt is the highest in the developed world and stimulus programs it unleashed on the country are driving it higher. Retail sales in Japan plunged 9.7% Year-to-Year, the biggest drop ever.

Its financial system is beginning to spin [wildly out of control](#); if interest rates on Japanese 10-year bonds reach 2.2% (instead of the targeted 2%), 80% of Japanese income will go just to pay interest on its debt. And inflation is emerging, potentially putting Japan into "stagflation." In addition, reports continue of the nightmare consequences of Fukushima, which would indicate that long-term investing (or holding an Olympics) in Japan would be unwise for the foreseeable future.



Michael Pento is among those characterizing Japan's situation as a "[last stand](#)," (similar to Custer's). "In a final attempt to grow the economy and increase inflation," it is now dumping massive amounts of government bonds and doubling its investment in domestic and international stocks. "There is no exit strategy except to default explicitly on its debt." It's entirely possible that a collapse in Japan will be the "black swan" that triggers the larger global collapse.

- **Canada** is melting down with the oil patch. The loonie has fallen to a value of just 70 US cents and the Canadian government is groping for a way to offset a crash in tax receipts.
- **Australia's** economy is contracting, along with its primary customer—China. Oz housing appears on its way to crashing, which will impact state bonds.
- **Ukraine** is on the verge of [financial meltdown](#), says the Financial Times (UK)... **Venezuela** is also circling the event horizon, dealing with [700% inflation](#) and food shortages caused by 15 years of social economics.
- **Saudi Arabia**, dealing with depressed oil prices, a new king and shifting alliances is losing its grip on Arabia. It faces capital shortages, as elites flee with whatever they can carry away.

Global cash flow is declining at a rate not seen [since the last recession](#). This indicates that we could be headed for a global credit crunch.

Since 2007, we've seen over 500 interest rate cuts around the world. 36 countries now have negative "real" interest rates. Globally over the past 2 years, 385 stimulus (money-printing) policy initiatives were announced.

Total world debt, if one excludes unfunded liabilities, is now approaching \$300 trillion. If only 10% of that total turned bad, the result would be a staggering \$30 trillion, but the exposure is probably much higher—

perhaps equaling the world's \$70 trillion GDP. To this debt one must add more than one quadrillion dollars of global derivatives, much of which is worthless (more on this in chapter 4).

Additional information on regions and specific countries is contained in chapter 4.

Global deflation. As we enter 2016, the debate as to whether “inflation” or “deflation” will face us first seems to have been resolved in favor of the latter—at least for now. Deflation is settling in: with the US global onslaught of funny money (Q/E) ended, deflationary signs are sweeping the globe, even though Q/E programs are still underway in Europe and China.

Iron ore prices have crashed from \$150 per ton in early 2013 to less than \$30 at the end of 2015. This is happening because, in the [words of David Stockman](#), the “central bank instigated global macro-economic bubble ripped commodity pricing cycles out of their historical moorings, resulting in a one-time eruption of price levels that had no relationship to sustainable supply and demand factors in the mines and petroleum patch.” The result was a “one-time mismatch of commodity production and use that caused pricing abnormalities of gargantuan proportions.” Stockman identifies “global steel, iron ore and mining equipment and other suppliers” as being vulnerable to further losses as the commodities cycle continues to unwind.

The more obvious and onerous big story is that of **plummeting oil prices**, which are disrupting economies in various ways around the globe. If the price stays below \$40/barrel or goes even lower (seems likely), absolutely [massive losses](#) are going to be absorbed on leveraged loans and derivatives tied to the oil patch. It appears that many of them are held by big Wall Street banks. If Russia was the target, they have been bent, but as a creditor to the world [will not be broken](#). Even though lower crude is great for motorists, it may become the [black swan](#) that takes down the global economy.

Deflation is global, says the UN's Food and Agricultural Index of worldwide food prices. As a down-home example, grain prices have fallen to four-year lows, forcing tenant farmers to choose between walking away and [breaching lease contracts](#). Net farm income has fallen from a \$129 billion peak in 2013 to an estimated \$74 billion in 2015.



Can we get out of this predicament? Stockman says that a “[Keynesian state-wreck](#)” lies ahead and notes that what has been growing is the wealth of the rich. “So we can summarize the last quarter century thus: what has been growing is the wealth of the rich, the remit of the state, the girth of Wall Street, the debt burden of the people, the prosperity of the beltway and the sway of the three great branches of government which are domiciled there—that is the **warfare state**, the **welfare state** and the **central bank**. What is positively falling is the lower ranks of society whose prospects for jobs, income and a decent living standard have been steadily darkening. I call this condition ‘Sundown in America.’”

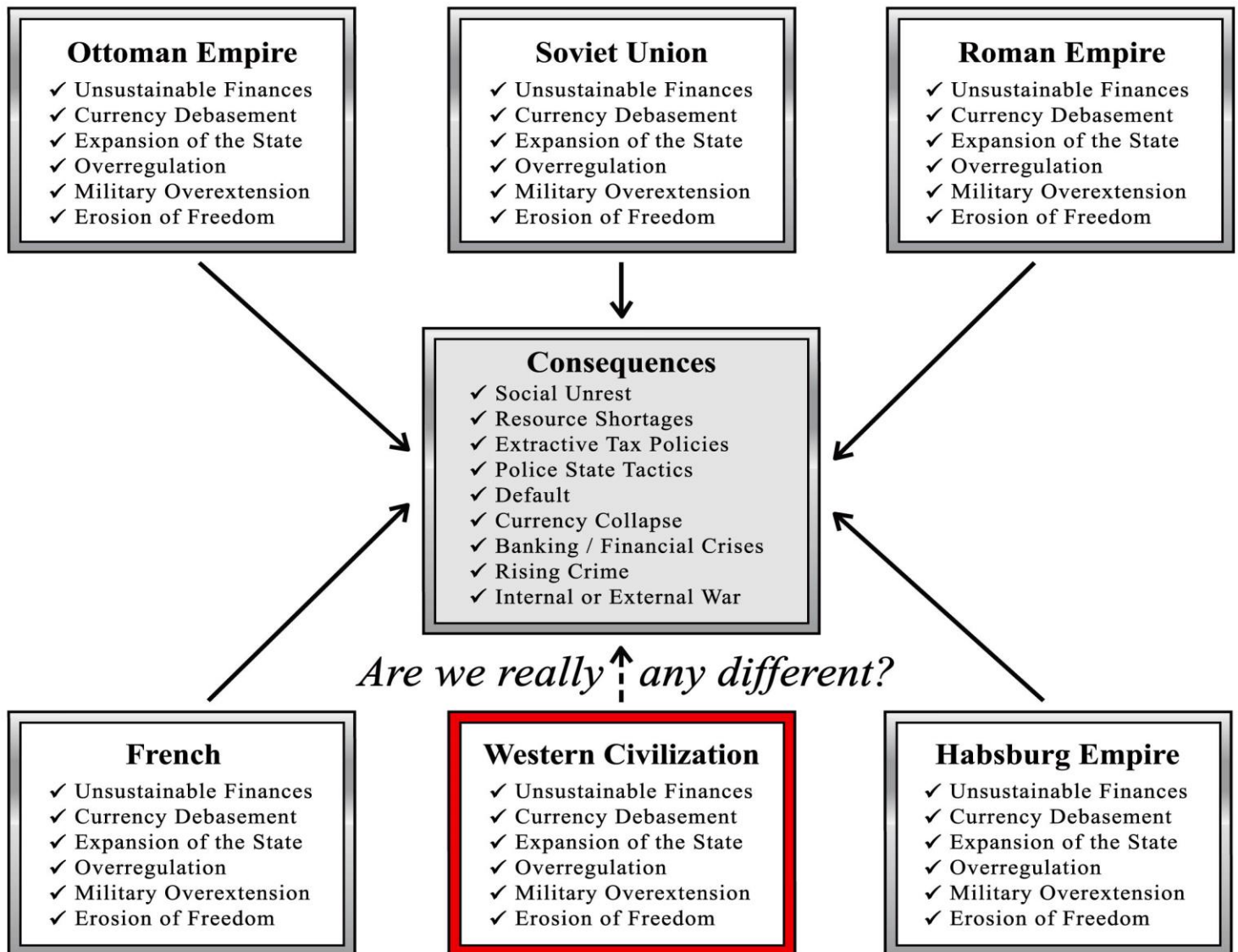
Stockman concludes: "Under these conditions what remains of our free enterprise economy will buckle under the weight of taxes and crisis. **Sundown in America is well-high unavoidable.**"

How long can the "leadership" hold on? Although timing is impossible to forecast, Marc Faber, Martin Armstrong and Jim Rickards are among those who have referred to 2016-20 as a timeframe beyond which current economic conditions and systems cannot be sustained. Richard Russell wrote that the ongoing secular bear market in stocks might not end until 2020. Jim Sinclair expected gold to peak by 2015, marking an end to present circumstances.

Trends forecaster Gerald Celente predicted system dissolution starting in 2013. Retired hedge fund manager Raoul Pal said in 2012 that "2013 will usher in the end," to be followed by what he termed "the big reset"—a new, stable system. These gentlemen were obviously early, but that's not an uncommon error from those who attempt to decipher the timing involved for major changes to occur. With

- global debt of all kinds at unmanageable levels;
- interest rates rising and over \$1 quadrillion of derivative investments in existence; and
- a general election coming up in the US in 2016;

it seems prudent to **treat the next 12 months as a period of significant potential danger.**



Summary: if governments and central banks were serious about repairing the global economy, they would be advocating more radical change. Congress would be cutting our War Department back to a level that could easily protect our nation, but without the additional hundreds of billions of dollars it takes to interfere in the affairs of others.

Instead of austerity or stimulus, our leaders would be working on a wipeout of the welfare state—abolishing or severely limiting disability, wage controls, welfare, minimum wages, housing support, food stamps, unemployment compensation, corporate bailouts, ZIRP, Q/E and all the other things that prevent a real shakeout of the economy. **What we REALLY need is a shakeout!**

What used to be called panics and crashes are now termed recessions or depressions. The Panic of 1907, which happened before the Fed was in existence, **was over in three months**—followed by full employment. The Crash of 1921 took longer—about 18 months—but when it was over, **anyone who wanted a job could find one**. But by 1929 the Federal Reserve had gained enough control over the economy to directly influence it. Since then, the US economy has been “pumped-and-dumped” to a fare-thee-well.

America rose to greatness on the backs of individual entrepreneurs; small business has long been the backbone of America. Recently, relentless [overregulation and excessive taxation](#) has seriously restricted the ability of small enterprises to function and lead the country back to stability.

If government REALLY wanted to help, it would take an axe to federal regulations—which, according to a Competitive Enterprise Institute study, have [cut the American standard of living by 75%](#) over 58 years. The cost impact of federal environmental, safety, health and economic regulatory costs is in the hundreds of billions—perhaps trillions—of dollars. **If regulations had stayed at a 1949-level, according to the study, the average American household’s income would be \$27,500 per month instead of the current \$4,400!**

Now, **please STOP!**

Catch your breath!!

Exhale, and then reflect on the following:

Why are the “tools” being employed by the Fed and other central banks NOT bringing about anything resembling a recovery?

Why do our fearless leaders continue to follow discredited Keynesian socialist policies? Are they ignorant? Stupid? Or are they following **another agenda?**

If so, who is setting that agenda? What do they want? What comes next?

Hint: *“History has taught us that central planning has never, ever succeeded. This group of central planners will fail as well. **They are DESIGNED TO FAIL, and they know it; they are simply there to buy time until a new world currency is put in place.**”* – Jim Sinclair

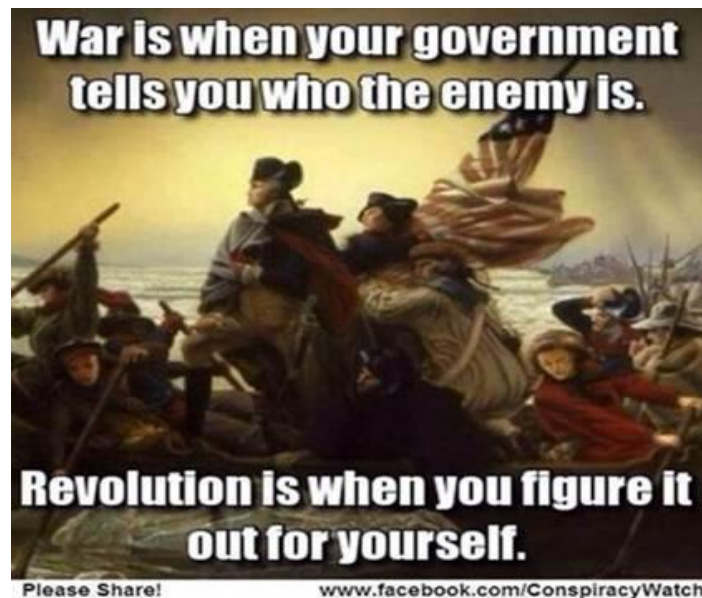
Chapter 2: THE CONTROLLERS

Global bankers and governments work together. The "why" of the economic predicament in which we are mired can be found in the capitals of Europe—and the bankers who run them. It would be nearly impossible to understate the role these global chess masters currently play in the US economy.

Who are the "Controllers?" Often referred to as the "Shadow Government," "Deep State" or "Illuminati" (illuminated ones), a group of approximately 300 western world families believes that since they can supposedly trace their bloodlines to kings, emperors and pharaohs it is their destiny to rule the rest of us. A high percentage of this group is in the banking business, with their hands on financial tillers around the world.

Mayer Amschel Rothschild was the first human of the modern age to learn how to control a nation by managing its supply of money. Beginning with a takeover of the French banking system late in the 18th century, the Rothschild family came to dominate banking in five principal European financial centers: London, Paris, Frankfurt, Vienna and Naples. The global Rothschild banking family, which has since been elevated to nobility in Austria and Britain, has been reported as currently owning or controlling over half of the world's wealth. But you will never find a Rothschild listed in a "world's richest" register, for they insist on remaining out of the limelight.

Over the centuries, the Rothschilds and their accomplices learned that the most lucrative means for accumulating wealth was by financing wars (both sides—the Tsar and the Bolsheviks in the Russian Revolution, for example). The drug trade is a close second as a money maker. The Rothschild family has also invested in industry: for example, insurance (Alliance in 1824, then Royal and Sun), railways (Chemin de Fer in 1845), mining (Rio Tinto in 1873), diamonds (De Beers in 1888), vineyards, and recently financial advice and even Club Med. The family funded the creation of Rhodesia by Cecil Rhodes. In 1909, British Prime Minister-elect Lloyd George stated that Lord Nathan Rothschild was the most powerful man in Britain.



Focus on America. The Colonies that broke from the English Crown in 1776 ostensibly established a Republic. There's a considerable difference between a republic and a democracy. Whereas the latter is government by majority (mob) rule, a republic is governed by natural law. In a republic, sovereignty is in each individual; in a democracy the sovereignty is in the group. [The US was founded as a republic](#); the Constitution guarantees to every state a Republican form of government! (With a large caveat, detailed in Appendix G.)

Not coincidentally, the Illuminati were reorganized in Europe just after the 1776 American Revolution. Its first attempt to regain control of America consisted of convincing George Washington to authorize the Bank of England as the US central bank, an arrangement which worked until 1832, when Andrew Jackson booted them out. Following that accomplishment, America enjoyed an **80-year period during which there was NO central bank and NO inflation.**

America in the 20th century saw the Rockefeller family rise to prominence. Son Nelson played politics, while David took control of Chase Bank and merged it with JP Morgan. Morgan, who both precipitated and helped solve the market panic of 1907, and who also financed then pulled the financial plug on [Nicola Tesla's](#) wireless energy, was believed to be a principal financial player until upon his death it was revealed that most of his assets were in fact owned by the Rothschilds. Morgan turned out to be primarily a Rothschild lackey.

Another prominent European banking family was the German-Jewish Warburgs, who entered money lending in the 1500's in Venice and rose to a position of influence in the mid-1800s, eventually emigrating to the US and marrying into the Schiff family (later connected by marriage to the Loeb family). But here's the connection that affects us the most: Morgan, Rockefeller, Warburg and Rothschild interests planned—on Jekyll Island, Georgia in 1910—the establishment of the so-called "[Federal Reserve](#)" which was voted in by Congress on Dec 23, 1913, giving a **European-controlled private banking cartel the right to control America's money and credit.**



The Federal Reserve is NOT part of the federal government; in the telephone book you'll find it in the white pages, near Federal Express. Nor does it have any reserves. The real objectives implemented by the Jekyll Island gang—in addition to creating a name that would "sound" right—included squeezing out small competing banks of the day; plus creating a structure that would allow large Federal Reserve member banks to **pass future banking losses to American taxpayers** (which is EXACTLY what we witnessed in the 2008 bailout). Harriman and Bush are two other prominent families that appear on any Illuminati roster.

Slipping its central bank apparatus back into America was the culmination of 137 years of work by the Controllers, and opened the door to the reassertion of European influence over the breakaway colonists. **[Since 1913](#) under the Federal Reserve we have endured endless wars, the Great Depression and the loss of 97% of the purchasing power of what used to be the US dollar.** We are stuck today with a currency called the **Federal Reserve Note (FRN)**, which is backed by nothing, not redeemable for anything, and created at-will out of thin air by this independent group of **private global bankers** (more on this later). Congress has the ability to shut down the Fed at any time, but will certainly not do so until American people [demand](#) it.

How do they operate? Controllers made and executed their plans for the US over decades and presently exert their influence through the following multi-tentacled structure.



Controllers operate through:

- formal organizations;
- ownership of businesses and enterprises;
- corruptive changes of and through the court system;
- infiltration of the government itself;
- management of national currencies; and
- “dumbing down” of the populace.

The Controllers comprise in essence **a financial cabal** whose properties include banks, major media, healthcare companies and energy companies. Using lobbyists, it secures the allegiance of key Congressional leaders. Politicians aren’t stupid; most of them are simply being bought off (although US Senate and Congressional leaders may in fact be willing accomplices). The cabal has methodically subverted education, medical care and the judiciary in the United States. The group also allegedly controls exotic energy and propulsion technologies not known by or accessible to the populace (see “Breakaway Civilization, in chapter 9). With its massive financial resources, it can literally “buy” anyone or anything on the planet. The following groups or agencies have been identified as key components of the cabal.

The **Council on Foreign Relations** (CFR) was established in 1921 to formulate US policy. Policy makers develop ideas while working at the CFR, then secure appointments to Cabinet and other Presidentially-controlled/appointed positions from which they can exploit their agendas. The current US policy result is what [Katherine Austin-Fitts](#) refers to as the “Central Banking Welfare-Warfare Model.”

The so-called **Bilderberg Group** was first discovered in 1954, meeting in the Bilderberg Hotel in Austria. This small group of about 150 influential western world politicians, heads of state (including two queens) and business leaders meet once a year in secret. Discussing and defining the political agenda of the world, with major media present, there is never an official release of what’s been discussed and decided—not even from the attending public servants who are effectively representing the interest of their constituents. US presidential candidates seem to be “vetted” through appearances at these meetings.



Increasing attention is being paid by the independent press to these meetings and their conclusions. For example, super-sleuth Daniel Estulin learned from an inside contact that the preset [official agenda](#) for the 2014 meeting in Copenhagen was to focus on (1) nuclear diplomacy and a deal in the making with Iran; (2) the threat to Europe from the Sino-Russian gas deal; (3) the rise of nationalist moods in Europe; (4) EU internet privacy regulations in the wake of Snowden disclosures; (5) cyber warfare and its potential effect on internet freedoms; (6) US policy mistakes in Ukraine and Syria; and (7) climate change.

The [Trilateral Commission](#) was the brainchild of [Zbigniew Brzezinski](#), a Columbia professor who declared that national sovereignty was “no longer a viable concept.” He convinced Bilderberg Group members in 1972 to support a separate organization to improve policy cooperation between the nations of Europe, North America and Asia. David Rockefeller was the TC’s first chairman and Brzezinski brought in Georgia governor Jimmy Carter as an initial member.

Meetings of the approximately 300 Trilateral Commission members are intended to coordinate US, European and Japanese economic and foreign policy. Funded by the Rockefeller Brothers Fund, meeting results are not available to the public. The late Senator Barry Goldwater wrote, “What the Trilaterals truly intend is the creation of a worldwide economic order superior to the political governments of the nation-states involved. As managers and creators of the system they will rule the world.”

At the top of the banking pile is the [Bank for International Settlements](#), which is located in Basel, Switzerland in a building shaped like a boot. It is considered the central bank for all central banks, capable of sponsoring central bank collusion to create a depression or usurp national sovereignty. Its charter includes “overseeing all ‘systematically important’ financial institutions, instruments and markets,” and **evaluating the “structure and function” of national governments**. It controls the shadowy [Financial Stability Board](#), which was established in 2009. Central bankers [meet there](#) in secret every six weeks or so and do not report their discussions.



Any central bank that ends up on the BIS roster should be considered [controlled by it](#). During World War II, BIS members already onboard from 1931 on included the US, England, Germany and Japan! When the BIS’ partnership with fascists came to light after the war, the International Monetary Fund was created to take the heat off of the BIS. But BIS still pulls central bank strings.

Thrive’s Foster Gamble wrote that principal BIS objectives include “getting rid of economies that aren’t a part of the Rothschild central banking system (Iraq, Libya), getting rid of rogue nations who have the ability to defend themselves through nuclear weapons (Iran), and taking whatever gold they have (Iraq, Ukraine).”

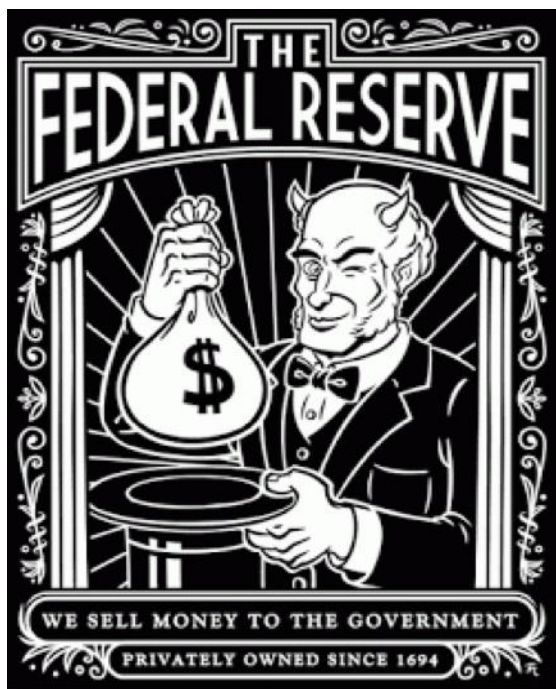
And just when you think you’ve heard it all, consider the [Pilgrims Society](#), an elite British-American organization which was founded in 1902, described as one of the world’s most powerful, secretive and influential organizations. Past Society members have included royalty, JP Morgan, Paul Warburg, Margaret Thatcher, Walter Cronkite and Richard Nixon. Its objective: “The true aim and object whereof shall be British rule throughout the world—**the ultimate recovery of the United States of America as an integral part of the British Empire.**”

The digital money chain. Central banks control the money and credit of their sovereign hosts and **obtain their powers from governments**. Thus, the Federal Reserve is in cahoots with the US government. The damage to American interests originates with politicians in D.C. who ignore our immense national debt and vote for spending that they believe will motivate their constituents to return them to office.

Congress in turn owes its ability to spend money it doesn't have to President Nixon's termination of the gold standard in 1971, when he refused to redeem further foreign dollar claims with gold bullion. In "closing the gold window," Nixon removed the restraint against creating unbacked currency, and as a result, Congress can now be characterized as a juvenile with a giant credit card with no spending limit and someone else (our children and grandchildren) ultimately paying the tab.

The US Treasury is responsible for providing currency to run the country. Since increasing taxes is not a politically popular means for raising funds, the Treasury relies on debt. Treasury bonds are offered to raise funds for new programs approved by Congress, and for the rollover of maturing debt. This debt is sold to bidders by the Treasury at weekly bond auctions; however, since these auctions no longer attract foreign buying as they did in previous times, the majority of bonds go unsold at the proposed interest rates.

Enter the Federal Reserve! To the extent that a bond issue/auction lacks subscribers, the Fed is able to "buy" the unsold bonds by creating a bookkeeping entry in its US Treasury account, crediting the US Treasury with the money. **It quite literally creates this digital money "out of thin air."** **At the bottom line, we are allowing a group of private bankers to buy our bonds with money they create from nothing, and our government is then obligated to pay that private group (the Fed) interest on those bonds.**

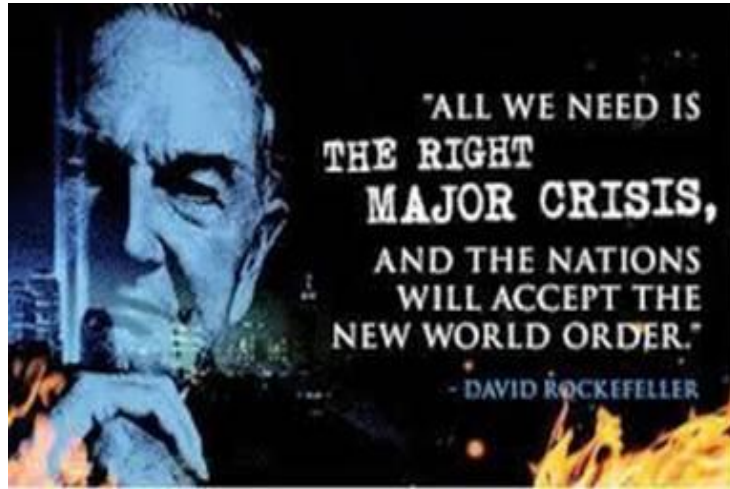


The destructive influence of the Fed has been recognized for many decades. For example, in 1932, Congressman Louis T. McFadden addressed the Congress with these words: ***"We have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks. The Federal Reserve Board has cheated the Government and the people of the United States out of enough money to pay the national debt."***

What do the Controllers want? With ownership of over half of the wealth of the world, what more could these people possibly want? The answer is **TOTAL CONTROL**! They want to run the world, ostensibly in a manner similar to that depicted in George Orwell's novel *1984*. Extreme insider Zbigniew Brzezinski

famously wrote in his 1986 book that the world of the future would contain only two types of people: "slaves and slave masters."

Controllers are driving toward total power and control through a one world government, which they call the [New World Order](#) (NWO)—a political structure that has been referred to publicly by many insiders, including Bush 41, Henry Kissinger and in 2013 at the UN, [Barack Obama](#). As an interim step, Controllers are pushing countries to align into four superstates: European, African, American and Pacific. Hillary Clinton recently praised Henry Kissinger's new book "World Order." Here's a short clip of Henry noting that Obama has a [great opportunity](#) to bring in "a new world order."



"Some even believe we are part of a secret cabal working against the best interests of the United States, characterizing my family and me as 'internationalists' and of conspiring with others around the world to build a more integrated global political and economic structure—one world if you will. If that is the charge, I stand guilty and I am proud of it." – John D. Rockefeller, in his book "Memoirs"

One-world architect Henry Kissinger authored [this politically-significant article](#) for the Wall Street Journal, asserting that what the "current world order" needs is a "mechanism for consulting and cooperating on the most consequential issues." This would obviously be accomplished through a forum such as the floundering European Union—which has been steadily attempting to suck national control from sovereign member nations. The article appears aimed at Kissinger's peer group, rather than the average world citizen—and makes one wonder if it is intended as a call-to-arms to the New World Order crowd to get its act together?

Eugenics is a major Illuminati focal point. This [1926 exhibit](#) outlines the desirability of improving the genetic quality of the human population. "Unfit human traits such as feeble-mindedness, epilepsy, criminality, insanity, alcoholism, pauperism and many others, run in families and are inherited in exactly the same way as color in guinea pigs. If ALL MARRIAGES were EUGENIC we could BREED OUT most of the unfitness in three generations." This dogma attracted Hitler and is prevalent today in the minds of many of the elite.

Hence we find Controller motivation and public statements about population reduction—once in an interview of media mogul Ted Turner, who called for **reducing global population by 93%**. Henry Kissinger used the term "useless eaters" to refer to dispensable members of society. Eugenics is a major long-term objective of the Controllers, who have apparently decided that Earth can only comfortably support [500 million people](#). Hence, restriction of care for the elderly in the Affordable Care Act should not be a surprise.

The [Georgia Guidestones](#) is a structure erected in 1980 in eastern Georgia through the auspices of a mysterious stranger who called himself R.C. Christian. The monument is comprised of five 16-foot tall granite slabs, with a central pillar and a capstone. Ten principles for human conduct are inscribed in 8 languages. One of the ten instructions is "Maintain humanity under 500,000,000 in perpetual balance with

nature.” In September of 2014, a cubic stone inscribed with “2014” was [removed](#) from the structure, triggering speculation but no explanation.



Shocking information is posted on **Deagel**, an [eerie website](#) that publishes data on military weapons transactions and inventories around the world. It also lists current and projected **GDP per capita data** (PPP = purchasing power parity). Its data agrees with the CIA Factbook that PPP for individual Americans in 2013 was \$54,800 for a population of 319 million. But Deagel’s 2025 PPP forecast is for the US is **\$9,061**, for a population of **65 million**; this prediction that **America’s population and purchasing power will drop by 80% over the next 10 years** is a cached version. For current projected statistics for a depopulated and broken US, plus the rest of the world, [click here](#).

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United States of America

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		Rank	%	World Figures
Currency:	US Dollar USD (\$)	-	-	-
Year:	2014	-	-	2014
Population:	319 million	3	4.5	7.1 billion
Surface:	9.6 million sq. km.	3	7.1	135 million sq. km.
Density:	33 inhabitants / sq. km.	155	62	53 inhabitants / sq. km.
Gross Domestic Product:	\$17 trillion	1	22	\$78 trillion
GDP per capita:	\$54,627	18	501	\$10,909
Purchase Power Parity:	\$54,800	15	367	\$14,945
Budget:	\$5.8 trillion	1	21	\$27 trillion
Military Budget:	\$756 billion	1	39	\$1.9 trillion
Imports:	\$2.3 trillion	1	12.8	\$18 trillion
Exports:	\$1.6 trillion	2	8.6	\$19 trillion
Forecast 2025				
Population:	▼ 65 million	18	1.0	▼ 6.7 billion
Density:	▼ 7 inhabitants / sq. km.	170	14.3	▼ 49 inhabitants / sq. km.
Gross Domestic Product:	▼ \$882 billion	13	1.8	▼ \$48 trillion
GDP per capita:	▼ \$13,591	50	188	▼ \$7,231
Purchase Power Parity:	▼ \$9,061	78	111	▼ \$8,129
Military Budget:	▼ \$7.2 billion	20	0.8	▼ \$867 billion



Of all the nations in the world, the US is the largest “fly” in the NWO ointment. After opting for free-enterprise capitalism in a republic-based form of government, America became the strongest nation in the world. Americans are more independent and sensitive to freedom than their European counterparts; hence America has been much too strong to be swept seamlessly into the NWO, and TOO STRONG to be stopped by military force – so subterfuge became necessary.

Since the insertion of the Fed into our economy—and particularly since the 1960s—the Controllers have been working tirelessly to bring America into a state of submission. NWO sponsors want a nation of compliant workers, not thinkers. They are hoping to make us serfs and take us back to the middle ages.

The Controllers’ perfect world would feature a digital currency (no coins or cash), and Earth’s inhabitants would either be micro-chipped or carry an ID card that would allow access to all of their information—and resources. This chip would thus allow a misbehaving subject to be electronically cut off from access to food, shelter or healthcare.

Minority report. Martin Armstrong and Bill Bonner are among a number of experienced and highly-regarded researchers who maintain that the Illuminati *per se* do not exist. Armstrong wrote that Rothschild money died two centuries ago with the bankruptcy of European kings, hence we are simply observing the consequences of greed—as corporate multi-nationals collude with sovereign governments worldwide in something resembling fascism... Bonner terms the events we are experiencing a result of the “deep state,” wherein US leadership was marginalized fifty years ago by national security officials. In a recent client newsletter, Bill documented the case that “all deep state activities are designed to serve the insiders and fail the public. The last thing the drug warriors want is for people to stop using illegal drugs. Their industry would be out of business.”

Since JFK paid with his life for his patriotic plans and actions, we have not had a President who truly represented the people [Ronald Reagan had good intentions, but was betrayed by advisors from the Council on Foreign Relations which he was forced to accept]. So for 60 years America has been deliberately weakened by a multi-pronged campaign, documented in “[Silent Weapons for Quiet Wars](#),” which implemented strategies to “**permanently shift the natural and social energy of the undisciplined and irresponsible many into the hands of the self-disciplined, responsible and worthy few.**”



Here’s the way the late George Carlin described the Controllers ([video here](#)): “I’ll tell you what they don’t want. They DON’T want a population of citizens capable of critical thinking. **They don’t want well-informed, well-educated people capable of critical thinking.** They’re not interested in that, that doesn’t help them. That’s against their interests. That’s right. They don’t want people who are smart enough to sit around the kitchen table and figure out how badly they’re getting screwed by a system that threw them overboard 30 friggin’ years ago. They don’t want that. You know what they want? **They want OBEDIENT WORKERS. OBEDIENT WORKERS.** People who are just smart enough to run the machines and do the paperwork, and just dumb enough to passably accept all these increasingly shittier jobs with the lower pay, the longer hours, the reduced benefits, the end of overtime, and the vanishing pension that disappears the minute you go to collect it.”

Bottom line: this group appears to have both the INTENT and the POWER to pull the plug on the US economy. Is this what they are doing? Are we going to let them get away with it?

Chapter 3: AMERICA UNDER SIEGE

Private political interests are attempting to complete the destruction of America—the country, and the ideal. We are on the front lines, and perhaps the last generation with a chance to turn it around. America's future is in our hands.



WHAT HAPPENS NOW? As outlined in chapter 2, a global banking cartel has been making and executing strategies for decades, targeting the takeover of the United States as part of a global plan. The US has received intense globalist attention, because its citizens are generally more independent and self-sufficient than those of other nations. Controllers knew America was going to be the toughest nut to crack.

New information received in December from Lindsey Williams' elite sources indicate that the **final phase of the global takedown has begun:**

1. On September 25 the UN launched its Agenda 2030 and "**Sustainable Development**" program (which also appears to be the new "buzz-words" for referring to the New World Order). It then sponsored the 2015 Climate Change Conference in Paris, expected to result in a global carbon tax bringing in \$100 billion annually by 2020. Since Earth appears to be entering a natural cooling phase, and with solar already replacing fossil fuels for commercial power, the Controllers should be able to use funds they confiscate to run and police the world, rather than applying them to fight a supposedly warming climate.
2. Three years ago, Lindsey warned that a **Federal Reserve rate hike**—which was announced December 16, the rate's first increase in 7 years—would signal that worldwide financial collapse was underway. And it already appears that the 1000-trillion dollar derivative wager pile (see chapter 4) is already being disturbed.

Having poisoned and dumbed-down much of the American populace, Controllers are running into resistance as they take on tougher jobs—such as trying to take our guns—and the waking-up of Americans is accelerating. Data from a number of sources suggests that we have entered a 4-year period (2016 – 2020) of major change. Controller actions also seem to confirm Williams' report that they are making their move NOW. During the four year period, they should be expected to instigate and then take

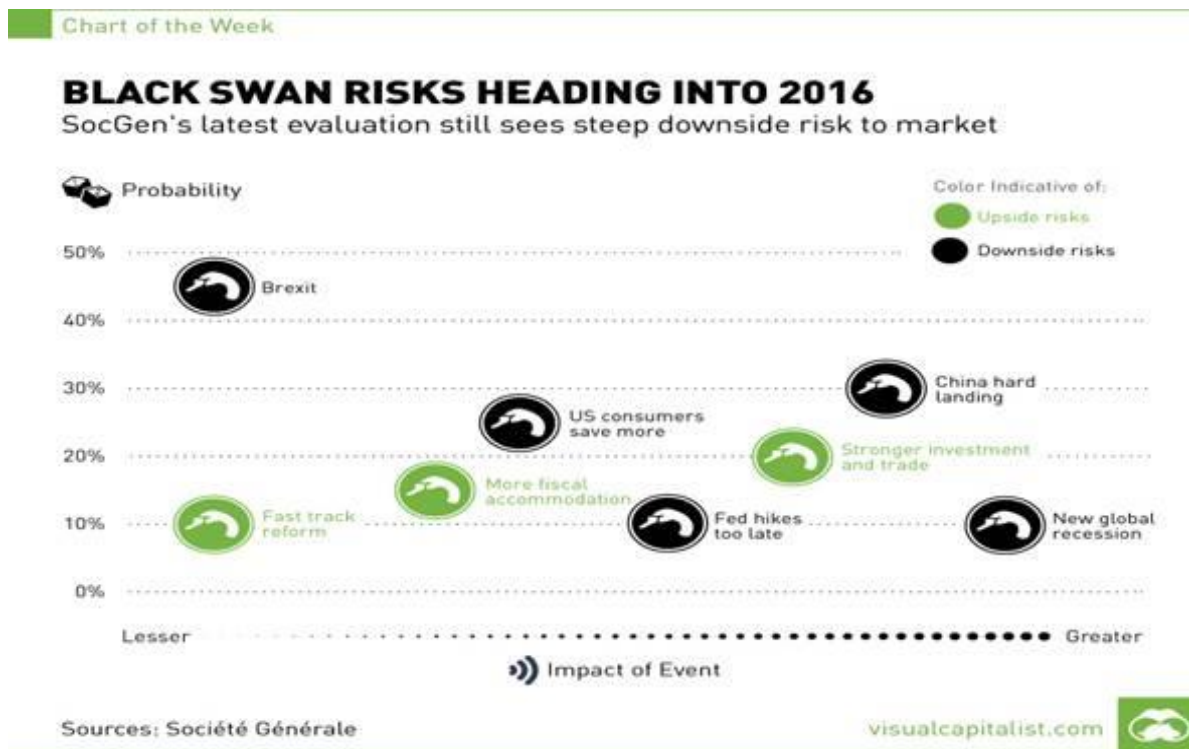
advantage of fear and chaos in our economy, attempting the imposition of martial law and the transition to their New World Order global dictatorship.

Focusing on the near-term, [Jim Willie wrote](#) "The triggers for profound unspeakable sudden crisis are led by:

- a) continued decline in the crude oil price,
- b) bank failures from expired oil contract hedges, and
- c) the default of between \$6 and \$11 trillion in Emerging Market debt,"

and then listed 15 additional "imminent triggers" that could set up **replacement of the dollar** as global reserve currency—with gold "finding its true value and price over \$10,000 per ounce," (and silver over \$400/oz). One of the triggers listed by Mr. Willie is an "**immediate derivative incident**" caused by a **US Fed rate hike**. And as we enter mid-February, derivatives are starting to "wobble" (see page 79).

For contrast, here's a conventional 2016 view—from French cartel-member Societe Generale Bank:



The period from 2016 until early 2020 seems likely to present bank bail-ins; SDR replacement of the dollar as world reserve currency; and chaotic economies and markets. [David Stockman](#) classified the financial house-of-cards as close to toppling. So did [Ron Paul](#). And financial heavyweight **Catherine Austin Fitts**, in this 27-minute [interview](#) with Greg Hunter. Here's a relevant [Mike Maloney](#) video. And [an Austrian](#) economics explanation from the Mises Institute.

In his recent book ("The Death of Money") **Jim Rickards** predicts "the coming collapse of the international monetary system." While noting that the world experienced currency system collapses in 1914, 1939 and 1971, Rickards [recently expressed](#) concern that the economic situation is unraveling even faster than he anticipated in his book.

"Right now we are on the precipice. It doesn't mean you are going to fall off immediately, but mistakes have been made and the instability is already in the system. We're just waiting for that catalyst that I call the snowflake that starts the avalanche." Rickards said that the trigger could be a failure to deliver physical gold, or an MF Global-type financial failure, or a natural disaster; it could be a lot of things. He also wrote that gold manipulation "will end when the physical shortage gets to the point that someone fails to deliver, which will cause a buying panic."

The Economic Confidence Model. [Martin Armstrong](#) is a widely-followed economist who employs a hugely-sophisticated software program dubbed "**Socrates**" to track global capital flows and predict key economic and market turning points based on cyclical patterns in human behavior. Among other forecasts, his ECM predicted in 1998 a major turn on **October 1, 2015**—when interest rates would make a low and sovereign debt would start to explode. Armstrong reprises history in predicting that the economy will turn down, government will raise taxes and deflation will destroy civilization.

Armstrong wrote recently that "everything is lining up for a very dramatic move between 2017 and 2020." This is a crash in confidence in government that began October 1, 2015, which he calls the BIG BANG.



This crash will extend into early 2020, accompanied by the bond bubble bursting, "in Europe first as it did in Austria setting in motion the Great Depression. If one country leaves the Euro and Britain leaves the EU, this will be checkmate. Keep in mind that the amount of capital contained in the bond markets is at least 3 times that in equities." Money will pour out of bonds "as in the 1929 stock market crash. Government will then be in crash mode with capital fleeing to dollar private assets. This is when we will see the greatest potential for a rise in equities and YES we should see the turn in **all tangibles including gold.**"

In a long and interesting essay which gets into human nature, Armstrong concludes "**The likelihood of me being wrong about the system imploding is about ZERO.** Historically, [no such system has ever survived](#) no matter what form it has taken. That is not the question. The burning question is WHEN, since all systems inevitably collapse just as we all must die... We are in deflation, which will come to an end when the people run for the hills and begin to buy anything tangible."

Of all the scenarios that might impel American citizens to rise up against the government and push the country into crisis, a sharp overnight devaluation in the purchasing power of the dollar seems the most likely catalyst. The financial world knows that the IMF is planning for a reset, one outcome of which seems certain: the dollar, coming off its 70-year reserve currency perch, is headed for a fall (see page 82).

Executive orders. FEMA (the Federal Emergency Management Agency), which was originally created to assure US government survivability in the event of nuclear attack, has seen its charter expanded to handle natural disasters (such as Katrina) and more. FEMA now seems the most likely agency to carry out Presidential Executive Orders (EOs), most of which have been in existence for 30 years and allow the government to:

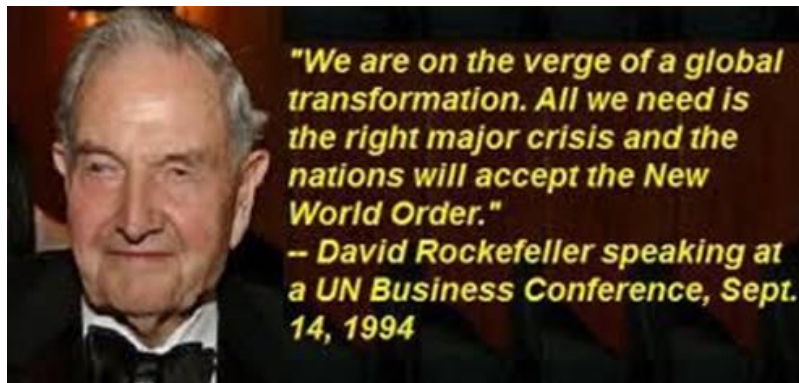
- Take over all modes of transportation, highways and seaports. (EO 10990)
- Seize and control the communications media. (10995)
- Take over all electrical power, gasoline, petroleum, fuels and minerals. (10997)
- Take over all food resources and farms. (10998)
- Mobilize civilians into work brigades. (11000)
- Take over all health, education and welfare functions. (11001)
- Operate a national registration of all persons. (11002)
- Take over all airports and aircraft. (11003)

- Relocate communities and establish new locations for populations. (11004)
- Take over railroads, inland waterways and public storage facilities (11005)

Additional Executive Orders allow the above EOs to be put into effect in times of increased international tensions and economic or financial crisis. Does this make you feel secure? Or threatened? The Controllers and their minions in government are ready to confront us—NOW. They seem unlikely to go quietly into the night. The closest precedent to our current situation is the American Revolution.

To the above, I'd add a belief that the Controllers want to consolidate their position in the Mideast. That means Syria and Iran must be taken over. And after that, Saudi Arabia becomes the target. We might yet see a false flag event and an end run around Congress.

The would-be global masters occasionally make mistakes; their abortive 2012 attempt to confiscate guns was an example. However, with the turtle as their symbol, they are relentless and can be counted on to make many more flanking anti-gun maneuvers in the future.



Other potential events that the US government is likely to deliver:

1. Continued abridgment of our Constitutional rights to privacy, speech, assembly, weapons.
2. Continuing diversionary media coverage, such as the Duck Dynasty silliness.
3. Restrictions on or shutdown of the internet and/or alternative media sources.
4. Capital controls (nearly complete) to restrict the free-flow of capital outside the US.
5. Government interference with pension plans, 401k's and IRAs.
6. Wage and price controls (which never work), leading to massive misallocations.
7. Increased individual taxes: probably on "windfall" profits and wealth.
8. Increased regulation of businesses and individuals—even the kind of licensing employed by Hitler.
9. Confiscation of assets held in bank boxes and other private vaults.
10. Increasingly visible staffing/manning of FEMA detainment camps.
11. War: invasion of other countries to get our mind off of things at home. (ISIS)

For a dynamic example of how government acts when it is cornered, keep your eye on Venezuela, where—following price and currency controls and other predictable but futile measures—a new ID system was rolled out to counter inevitable [food shortages](#) and "hoarding." Also south of the border is Argentina, which has defaulted on its sovereign debt three times in the past 32 years. Following confiscation of pension accounts, price freezes and other measures, it's [getting ready for #4](#). Government at its finest!

And if you need further evidence of what it might be like if a true crisis hits America, [consider this story](#) of onlookers stealing groceries from an SUV after a fatal car-crash.

During this process, our fiat dollar/Federal Reserve Note will move towards its intrinsic value: **zero**. Gold will continue to climb in value because it is true money, maintaining its purchasing power against a world of inflating fiat currencies.

CONTROLLERS AT WORK – WEAKENING AMERICANS – Following is a summary of what’s transpired over the past century or so, with an emphasis on recent events. In addition to widespread damage being inflicted on America’s middle class through market manipulation and Obamacare (reported in chapters 1, 7 and 8), we have...

Population Engineering. As George Carlin observed (page 39), there’s no room in the New World Order for bright, active “outsiders;” only obedient workers are desired. Robots also fit the bill (for more on robots, see chapter 9). And so we should probably start by pointing at trash on **television, which is clearly harmful** to American brainpower; small wonder, since six Controller-owned corporations own 1500 TV stations (plus 1500 newspapers, 1100 magazines, 9000 radio stations and 2400 publishers). Mainstream media is managed and presented to keep the American population entertained, distracted and harmless.



This full-length [video presentation](#) covers a lot of ground, if you can make time to view it. It describes “The Great Dumbing Down of Humanity and the Depopulation Agenda.” It also covers research that shows that the use of mercury (in infant vaccinations) can cause autism; and fluoride (in our water) – a cumulative poison that causes ADD, reduced IQ, arthritis and cancer. It’s followed by disclosure of steps that have been taken to marginalize public education. Jim Marrs’ latest book “Population Control” (page 185) goes into depth on this subject and many other means being employed to dumb-down Americans.

Educational Blight. According to the Educational Testing Service, American Millennials with a four year college degree function at essentially the [same intellectual level](#) as young adults in Japan, Finland and the Netherlands that have only a **high school degree**.

- Public education in the US now emphasizes conformance, while stifling creativity and thinking. Here’s a long, but very [informative summary](#) of recent developments in the world of brainwashing our children in the public schools. Plus this article on [Charter Schools](#) says that they’re also not desirable, with corporations replacing local school boards. But there is an undercurrent of educational authorities who are rebelling against Common Core and an increasing wave of individual moms have become home-schoolers, taking their children back from government control.
- Instead of a good education, what 40 million young Americans have is [\\$29,000 of permanent debt](#), thanks to the Higher Education Amendments of 1998—which provided federal funding for [education loans](#), while preventing students from discharging loans in bankruptcy. Today’s jobless college graduates, who cannot pay off these loans much less buy a house, are forming a lost generation.

In 2015, the Senate passed the “Every Child Achieves Act” and the House version (H.R. 5) also squeaked through. The plan provides for federal funding of [so-called community schools](#) which “target” families and children for “services” covering their “academic, physical, social, emotional, health, mental health, and other needs.” Thinking here ties to Obama Education Secretary Arne Duncan’s pitch for government boarding schools that he said should have children 24 hours per day, seven days a week. **PARENTS BEWARE!**

Poisoning the People. In line with the objective of reducing population and dumbing down what's left, the Controllers have taken many steps to worsen your health. Start with this [8-minute video](#), which summarizes a number of **threats to public health**—many of which are intentional, and some of which can be traced to a paper produced by Henry Kissinger for the Nixon Administration. "National Security Study 2000: Implications for Worldwide Population Growth for US Security and Overseas" appears to be a blueprint for genocidal programs from GMOs to vaccines which have been unfurled over the past decade. Unbridled corporate greed has taken it from there (oil spills, fracking, drugs/pills, etc).

- **Microwave radiation** is everywhere. Barrie Trower is a British expert in microwave technology, who is **dedicating his life** to educating the public on the absolutely ominous [dangers to our health](#) and sanity from the ever-increasing presence of **microwaves** in our lives—and what can be done about them. Trower notes that these waves penetrate any substance. Use of cell phones and other microwave devices can suppress the immune system and cause neurological disease—depression, suicidal tendencies, increased coughing & colds, gastric problems. In his long interview, Barrie cites 8300 papers which allege damage; children, women, animals and the elderly are most affected. Smart meters operate at 905 MHz, the **same frequency as your brain**—dumbing you down!

The EPA in 1990 was set to release a report declaring that low-level electromagnetic fields (the kind emitted from cell phones, Wi-Fi, Bluetooth devices and Smart Meters) are a [serious health hazard](#) linked to cancer, but its finding was removed from the report under pressure from utility companies and the communications industry.

Reducing your EMF pollution. This short video from EMF expert Jeromy Johnson has lots of practical ideas on how to protect your home and family while still staying connected. [Especially important for children!](#)

Cellphone use "[triples brain tumor rates](#)," according to a Swedish study published in the journal of Pathophysiology. The study was conducted by following nearly 800,000 people for seven years. The article explains how you can minimize your exposure to cell phone radiation.

- This [trailer for the movie](#) "A New Resistance" tells the story of **Glyphosate**, the key ingredient in **Monsanto's "Roundup"**—originally developed as a pipe cleaner, sprayed for 40-years on crops and lawns and now found in our food, water, air, soil, blood, urine and breast milk. It is being tied with increasing research to diabetes, obesity, dementia, infertility, cancer, celiac disease, gluten intolerance, irritable bowel syndrome, autism, Alzheimer's and Parkinson's diseases. Roundup is indeed "the [ultimate killing machine!](#)"



A newly-released paper shows that [Monsanto has known](#) for nearly four decades that glyphosate causes cancer... And EPA documents show that the agency knew in 1985 that glyphosate was [carcinogenic](#), but ignored the information. Even the [World Health Organization](#) confirmed that **Roundup probably causes cancer**. Most Americans are unaware that commercial [wheat crops are doused](#) with glyphosate just before the crop is harvested.

Here's a short [history on Monsanto](#), including its role in producing Agent Orange. But Congress passed and Obama signed the Monsanto Protection Act, even as the city of San Diego was suing Monsanto for selling and using chemicals the company knew were harmful for the environment. It's time to label GMOs! Here's a link to a very succinct documentary on GMOs, titled "[Seeds of Death](#)."

The Russian Federation, the world's largest political entity, has [formally prohibited](#) all commercial planting of genetically modified organisms, GMOs. It's anticipated that Russian organic food will be in high demand in the US where land and crops have become widely contaminated by GMOs and chemicals... Sounds like a great move, inasmuch as Waimea, on the island of Kauai, Hawaii, just reported that the number of [severe heart malformations](#) has risen to more than ten times the national rate, following its selection in 2012 as a testing ground for GMO corn.

BUT in a classic demonstration of the corruption that exists in Washington, the Republican-controlled US House passed—against enormous public and industry outcry—H.R. 1599, the “DARK” (“Deny American the Right to Know”) Act, which **reverses the ability, now or in the future, for any state to require labeling of genetically engineered food.**

In a related development, Monsanto has spent more than a billion dollars building a production facility to make [Dicamba](#), which will be offered as a replacement for RoundUp. Early reports are that Dicamba may also be linked to cancer.

- This [short video](#) contains testimony from a former **Big Pharma** executive turned whistleblower, about the symptomatic diseases that people live with as a consequence of taking their pills. CDC whistleblower William Thompson [says here](#) that **Thimerosal** is a “modern day secret lobotomy program.” (It's the preservative of choice for vaccine manufacturers, and contains 50% mercury.)

Big Pharma casualties? Dr. Jeffrey Bradstreet, a doctor who voiced [skepticism of vaccinations](#) and achieved a positive response rate of 85% in autism patients, had his research facility raided by the FDA, and several weeks later was found dead from a [gunshot wound to the chest](#) in a North Carolina river. Ten other [holistic doctors also have died](#) since mid-2015 under suspicious circumstances.

- **Chemtrails** are not the same as contrails, as these [pilots, doctors and scientists](#) reveal. While contrails dissipate, chemtrails persist. Tons of **toxic ingredients** including aluminum, barium and strontium have been dumped into the atmosphere over a 10+ year period—adversely affecting microbial life, animal life and human health. Here's additional [testimony](#) given to the U.N. about the dangers of chemtrails, and a [Chemtrails disclosure](#) from a pilot who participated. Plus [another message](#) from a USAF pilot who allegedly flies Aerosol Tankers—with LOTS of chemtrail photos!



- The public's awakening to ongoing [climate engineering](#) (chemtrails and more) resulted in a congressional subpoena to the administration to turn over its documentation. In response, the government slapped a (illegal) “gag order” on National Weather Service and National Oceanic and Atmospheric Administration (NOAA) employees, and so the NOAA refused, claiming confidentiality—when in fact the agency is fed by taxpayer money. **Farmers in particular need to realize that realize that their rainfall is being controlled for them by the government!**

How big does the climate engineering elephant in the room need to be before it can no longer be hidden in plain sight? [This article](#) from Dane Wigington at [geoengineeringwatch.org](#) links and attaches to a mountain of information, including an extensive congressional document—confirming,

among other things, **government involvement in weather modification** since 1947. The report covers drought, crop loss, poisoning, mental retardation and insanity, cancer and much more.

- **Fluoride in municipal water supplies.** Newsweek reported in a June 29 article: "The data suggest that toothpaste, besides other preventative measures like dental sealants, flossing and avoiding sugar, are the real drivers in the decline of tooth decay in the past few decades. Indeed, cavity rates have declined by similar amounts in countries with and **without fluoridation**." Here's a list of 16 little known [facts about fluoride](#)—including its toxicity, effects on IQ and ability to cause more human cancer death than any other chemical.
- The Department of Justice filed criminal charges in 2015 against [nutritional supplement](#)-manufacturers.
- **Weaponized Wi-Fi.** Dr Nick Begich says that "[brain stimulation](#)" through modulating energy signals is being used on the population through signals from computers, TV and cell phones.
- Researchers have discovered that those who live in **areas near [hydraulic fracking](#)** are significantly more likely to be hospitalized for heart conditions, neurological illnesses, and cancer.
- Dr Mitchell Gaynor, a 59-year old oncologist who practiced [alternative medicine](#) was found dead, the ninth recent suspicious death in the alternative-health field. Five others are missing and 29 naturopaths attending a seminar in Germany were hospitalized for poisoning.

Other government measures, focused on control and financial deprivation.

- The **big daddy of global control is Agenda 21** – a UN-sponsored program aimed at eliminating private property rights .. and much more. As a starting point, read [this summary](#) of "The Principles of Freedom vs Agenda 21." Paul McGuire is a prolific writer and is very actively trying to roll-back the implementation of Agenda 21. [This McGuire article](#) deals with the differences between watchmen and predictive programming.



Under Agenda 21, "camping" on your own land is now illegal in Colorado, which is waging war on citizens who prefer to live [off the grid](#). And you can't water your horses with mountain spring water; fluoridated water has to be hauled in.

- [Smart meters](#) are now being used by California authorities to crack down on "water wasters," but this is just the tip of the smart meter iceberg. Unless Americans rebel against the use of these meters, we can expect government bureaucrats in the future to control everything from your dishwasher to your thermostat.
- Oregon launched a program to [tax drivers by the mile](#). OReGO is voluntary during its test phase, but Oregon's Department of Transportation hopes to make it mandatory, as a replacement for the gasoline tax. Apparently, 28 other states are investigating the concept.
- Perhaps we should mention taxation itself. "America: Freedom to Fascism," produced by Aaron Russo documented that there is NO BASIS for federal income taxes – at all. (See Resources for a link and watch for free on Google.) Tibor Machan [writes here](#) that "my fellow citizens and I [and not the federal government] are the best wealth redistributors one can find."

- An emerging government control technique is **Political Correctness (PC)**. As Jeff Deist of the Mises Institute [writes here](#), PC is about control, not etiquette. "It's not about being sensitive or caring or avoiding hurt feelings and unpleasant slurs," and not to remind us not to call someone retarded or use the "N" word. The mechanism in place for that is called manners—upheld by parents. Instead it's "the conscious, designed manipulation of language intended to change the way people speak, write, think, feel, and act, in furtherance of an agenda." [That agenda is the same one that proliferates throughout this book.]
- Dozens of young people across the US have been enlisted by **climate activists** to be plaintiffs in a [lawsuit against states](#) and the federal government that demands action on climate change. Although a clever public-relations ploy, states cannot alter the weather; all they can do is collect carbon taxes in the name of altering weather.
- Were you aware that the US government provides \$85,000 to the state for every child that is taken from a family and adopted out? Thankfully, parents are beginning to fight back against [Child Protective Services](#) unwarranted actions.
- **NWO ID.** From the United Nations comes a plan (Goal 16.9) to "implement universal [biometric identification for all of humanity by 2030](#)." The United Nations "High Commissioner for Refugees" has selected Accenture to develop and implement biometric technology under a three-year contract. Undocumented refugees would be the first to have **facial, iris and fingerprint** data collected and stored on a card (with a copy to Geneva), which will become their documentation.
- The Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) is working with the FBI and Veterans Administration to [disarm veterans](#). The VA reports vets who need help managing their finances (for example, signing up for auto-pay on their debit cards) to the FBI. Seniors who simply receive Social Security payments are also in the crosshairs.
- Water control. The Environmental Protection Agency "clarified" the Clean Water Act by **striking one word** from the Clean Water Act that would, in the words of a US Supreme Court justice "put the [property rights of every American](#) entirely at the mercy of Environmental Protection Agency employees." **That word is "navigable,"** and now that it is erased, the federal government's control extends to creeks, streams, wetlands, ditches, even large puddles. While purporting to protect wetlands and waterways, it is overreach which threatens to take away right of property owners.



- Russia Today [broadcast](#) what many experts call the best coverage of today's **mind control** technology, where targeted individuals can be secretly implanted with chips as tiny as a few nanometers across, and then [controlled](#). Recently, a California woman and an expert in the field provided evidence to [win the first court case](#) involving today's mind-control cell-towers.
- Provisions snuck into H.R. 22 (a highway transportation bill) in December allow the IRS to "deny, revoke or limit the passport of a taxpayer." So if you are "seriously delinquent" in paying your taxes, the IRS could place you on the "NO FLY" list.

- Genealogy wants you! Pretty predictable. The FBI is asking Ancestry.com and 23andMe for [DNA information](#) on their two-plus million customers—to be added to its **national genetic database**.
- **Heil Obama!** Retired US Army General Wesley Clark, who also served as the Supreme Allied Commander of Europe for NATO, says that “radicalized” and “**disloyal**” Americans should be rounded up and [put in internment camps](#). Clark indicated that he referred to those engaged in speech that government leaders do not like.
- As an **example of the attitude** that sociopaths in control of the world have about us, in this short video the Chairman of Nestle (which has been connected to funding attacks against GMO labeling) states that [water is not a human right](#), but rather a commodity that should be privatized.

Weakening America. Not content with weakening American citizens, Controllers have been busily weakening America herself. Moving the foundation of our **productive capacity** overseas starting with NAFTA (the North American Free Trade Agreement) in the 1990’s was a good start. But **turning friends into enemies** abroad has also been in play. Doing this through **war**—uncalled-for invasions of foreign countries—has provided one additional benefit. It has massively expanded our **debt**!



The invasion. Pastor [Chuck Baldwin characterizes](#) the torrent of illegal aliens crossing our southern border as a “**cold, calculated and cunning attempt to fundamentally change America**.” The only people in D.C. opposing granting amnesty are Tea Party Republicans... As it is, Democrats want the votes and the Republicans want the cheap labor.” Most of the illegals are NOT children; they are teenagers, up to the age of 31. They could be gang members, but no records are being kept. And many of them are simply “disappearing.” This InfoWars [interview of Gerald Corsi](#) amplifies the point that the ongoing migration play is being executed to “turn the United States into Central America.” There’s a lot more than immigration policy going down here.

In a supremely ironic development, it appears that migration will reverse as conditions in the US continue to deteriorate, and Americans (and Europeans) will head for South American, whose western-imposed financial systems will be barely afloat.

STEM is a new Department of Homeland Security program that [pays US employers to hire foreign students](#) taught in America. Employers of these students could receive a \$12,000 bonus for hiring an immigrant, rather than an American college grad or unemployed citizen!

“[With Open Gates](#)” is a movie banned by Google, YouTube and Vimeo, which shows the forced collective suicide of European nations by militant infiltrators who are being offered sanctuary. This video has gone viral, with over 1.5 million views... Europe is considering [sending development funds](#) to African nations that agree to bringing migrants back... All of this is apparently also slated for America.

Judge Napolitano rebutted the Pope's allegation that [mass migration](#) into Europe is resulting from capitalism. Instead, refugees are fleeing from bombs and war.

The EU is apparently planning to use the Muslim invasion and Paris attack as justification for creating a [European Army](#), loyal to Brussels and a key part of the Controllers plan to federalize Europe.

FATCA-narrowing your options. With an eye toward restricting the ability of Americans to escape tightening conditions at home, the US government enacted the **Foreign Account Tax Compliance Act**—one of the most egregious pieces of US legislation passed in years. FATCA requires foreign banks and other financial institutions to hand over information to the IRS about Americans' accounts worth more than \$50,000, effectively turning them into unpaid IRS agents. The cost of complying is placed on the foreign institutions and those that don't comply are effectively cut out of the US financial system and the US dollar. Implementation began July 2014 after two delays, with provisions being transitioned into effect through 2015. [This site](#) reveals existing country agreements with FATCA.

A perhaps-intended side effect is that foreign banks are turning away US citizen accounts since it's simply not worth the trouble of complying. FATCA is a form of capital control, making it harder for Americans to move money abroad. An optimistic estimate is that it will bring in about \$900 million a year in taxes, which is inconsequential. But FATCA is also acting as a trigger for **GATCA**, a global version, where private financial information will be extinguished. The G20 is pushing GATCA, which could ultimately be used to implement a global tax with a planetary taxing authority, levied by the UN, IMF or World Bank.



"Sustainable development." Those are the buzzwords behind the UN's Agenda 2030, which masquerades as a global movement to end poverty everywhere on Earth, while providing "social justice" and "equal rights to economic resources." Sounds good, doesn't it? However as Paul McGuire [explains here](#), the target of the Controlling 1% who are behind Agenda 2030—and who already own nearly 99% of the world's wealth—is to own it all.

So instead of simply sharing their wealth directly with impoverished humanity, the Controllers plan through increased regulation and taxes to lower further the standard of living of the American middle class—moving us ever closer to the world envisioned 40 years ago by Zbigniew Brzezinski (just "slaves and slave masters" in the world of future). Agenda 2030 is to be a key to bringing in one world government—the New World Order.

Plunging costs for solar and wind power mean alternatives to fossil fuels are more viable. [Reams of data show](#) that carbon emissions from our civilization is a minuscule contributor to global weather; it's all about natural Earth cycles. But that's not what the Controllers are really interested in: their focus is on **extracting taxes and increasing their control over humanity**. And so "climate envoys" from 195 countries agreed in Paris to spend other peoples money to keep global temperatures by rising by more than 1.5 degrees Celsius before the year 2020. [Unannounced objectives](#) during the conference included establishing a global regime, complete with a global court, global taxes and a global enforcement regime.

Pope Francis seems fully on-board with the NWO movement, having issued a 193-page encyclical warning against [global warming](#) that called on wealthier countries to make lifestyle changes in their "throw away consumer culture," and then endorsing Agenda 2030 in a September speech at the United Nations. Judge

Napolitano observed that the Pope is using his influence to push the lefts "assault on family and the free market, on into two areas he does not understand: economics and the redistribution of wealth."

Vatican Professor Schnellhuber, a speaker for the Papal document, had previously recommended a [reduction in the world's population](#) to a maximum of 1 billion. He also wrote about a "Planetary Court" guided by a new "Earth Constitution," which would hold power over every nation and government on the planet. Michael Savage called the Pope "[a danger to the world](#)" who wants to impose "global tyranny." But alas, a paper titled "Human population reduction is not a quick fix for environmental problems," concludes that even the [mass murder of billions](#) of humans would not be enough to sufficiently reduce "the **over-consuming human population**, that is rapidly eroding many of the Earth's natural ecosystems."

False flags. To lull brain-dead Americans into supporting needless foreign wars, Controllers have employed a time-tested strategy of staging “false flag” attacks to justify war or consolidate power. Pearl Harbor, The Gulf of Tonkin, and more recently 9-11 were staged to **gain public support for American troops to be sent abroad to die for meaningless causes.**

Here's a "false flag" definition from [Larry Chin of Global Research](#): "Carry out or facilitate a spectacular atrocity. Blame it on the enemy of choice. Issue a lie-infested official narrative, and have the corporate media repeat the lie. Rile up ignorant militant crowds, stoke the hatred, and war-mongering imperial policy planners and their criminal functionaries get what they want: war with the public stamp of approval."

Paris provided the latest example in November 2015, with attacks appearing to have been staged, as an impetus to drive the US into war in Syria. [An emergency drill](#) was going on that day (reminding an alert reader of Boston Marathon, 9/11 and [other false flag](#) event), and an intact obviously-forged Syrian passport was conveniently found [next to the body](#) of one of the suicide bombers. But Congress jumped right on it, with [Ted Poe urging Obama](#) to “work closely with other NATO members and respond.”



Rick Santorum reminded the media that the [CIA created Daesh \(ISIL\)](#) in Jordan in 2012—with an objective of destabilizing the Syrian government... This enlightening [interview with F. William Engdahl](#) goes much further: calling Paris a “no-flag attempt to whip up public opinion,” Engdahl notes that politicians have used the CIA to stage nearly every disruptive event that has happened in the Middle East over the past 30 years—including the creation of both Bin Laden and ISIS.

Then, to finish off 2015 on the right note, the [FBI thwarted yet another terrorist attack](#) that **it planned and financed** from the beginning. **FBI agents recruited** a mentally ill ex-convict and supplied him with equipment for a New Year's Eve suicide attack that included masks, zip-ties, knives, duct tape, ammonia and latex gloves. And then apprehended him.

If that's not enough false flagging for you, here's a whirlwind video description of recent [false flag episodes](#), from James Corbett. And gosh, here's even more: a list of [55 ADMITTED false flag terror incidents](#). A study reported by Thrive analyzed similarities in a number of false flag incidents and concluded the odds of their being manufactured, as opposed to real events, was 7 billion to 1.

False Flags have been [used for centuries](#) and it now fortuitously appears that Americans are beginning to wake up to their employment—the necessary first step to stopping them. Syria's purported use of chemical weapons didn't pass the smell test, so a constituent-bombardment of congressional offices stopped it. In late 2013, we learned that **three nuclear warheads** were stolen from military inventory with an intent to be detonated off the South Carolina coast—only to be [foiled by four senior military commanders](#) (who as a result were quickly relieved of their commands). More recently, we learned that the botched downing in Ukraine of Malaysian airliner **MH17** was most likely due to [machine gun fire](#) from a pair of **Ukrainian fighter jets**.

One widely-documented false-flag occurrence was the **Boston Marathon** bombing, which was used to test the public's willingness to be subjected to martial law. It prominently featured the FBI, which [has been responsible](#) for instigating 94% of the terrorist incidents that it has "solved." According to a study, it recruits individuals who are pre-dispositioned toward committing crimes, then assists them with planning, weapons and funding—before apprehending them.

A newly-released Clinton email shows that [Bush and Blair plotted](#) the **Iraq War** a year before launching it. Republicans were not expecting to uncover this information and are apparently not glad to have it.

The modern false flag granddaddy was, of course, **9-11**. Stories revealing the truth proliferate across the internet: examples [here](#) and [here](#). In my view, information presented in publications from the [Architects and Engineers](#) and from [Dr. Judy Wood](#) are compelling. Wood's conclusion was that a space-based directed-energy (**particle beam**) **weapon was used to turn the Trade Centers to dust**.



Paid provocateurs are used routinely by the federal government to [form public opinion](#), says retired Philadelphia police Captain Ray Lewis. "All mainstream America, sitting at home in their middle-class neighborhoods, see this one guy burning an American flag or another one urinating on a police car—who is also an undercover agent and then think 'oh my God, that whole protest—that whole movement—is corrupt and I don't want anything to do with it.'" "**Crisis actors**" (faces that show up in multiple domestic false flag incidents) also exist.

Dr. Jim Garrow is an ex-CIA operative that blew the whistle on the agency well before Snowden. I've heard him interviewed a couple of times and he is a [fount of information](#). He has stated publicly that he KNOWS that **Obama ordered the hits** that killed Tom Clancy and Andrew Breitbart.

Fethullah Gulen is also worth mentioning. He's a [Turkish Muslim Iman](#) living in Pennsylvania who FBI officials say is a dangerous radical. Gulen owns 130 **charter schools** across the US that are **spreading radicalized ideas and Sharia law** to impressionable young minds. These schools receive **US taxpayer funding** each year ranging from \$150 - \$500 million. The CIA is known to be doing business with him.

Boots on the ground. Russian officials admit that Moscow's aim is to help Assad [retake territory](#) lost to opponents, so they are going to be there for a while. Nevertheless, US neocons are ready to [risk lives of American soldiers](#) in Syria: Reuters reported that US Special Forces are going to be used as "[human shields](#)" to curb Russian air strikes against anti-government mercenaries, many of whom are instrumental in Washington's regime-change objective in Syria.

"Although Defense Secretary Ashton Carter admitted the complete failure of the US 'train and equip' program for rebels in Syria, he is not going to give up," said Ron Paul. So now we are going to risk (or perhaps enable?) escalation into a major war in the region. US Congresswoman Tulsi Gabbard, [interviewed here](#), properly calls Washington's effort to oust Assad both "counterproductive" and "illegal."



USAF Secretary James confirmed that the end game for Syria is occupation. So our plan is to [occupy a sovereign nation](#) using US troops or proxies, enabling globalist takeover of its banks! US Representatives Tulsi Gabbard and Austin Scott introduced a bill to [defund efforts](#) to overthrow Syrian President Assad. Not likely to succeed, but good for them!!

Brandon Smith wrote that it's becoming increasingly obvious that powers-that-be are attempting to [orchestrate WW III](#) in Syria. "How long before a negative trigger is introduced? How long before Israeli planes come into contact with Russian or Iranian fighters? How long before US troops come into contact with Russian troops? It's hard to imagine we will be waiting very long to find out." British fighters have already been authorized to fire in self-defense on Russian aircraft.

But clandestine interference in the affairs of other countries is nothing new. Marine Corps Major General [Smedley Butler](#) held the highest authorized rank and was at his death the most decorated Marine in US history. In 1935, Butler wrote: "I spent 33 years and four months in active military service and during that period I spent most of my time as a high class muscle man for Big Business, for Wall Street and the bankers. In short, I was a racketeer, a gangster for capitalism. I helped make Mexico and especially Tampico safe for American oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenues in. I helped in the raping of half a dozen Central American republics for the benefit of Wall Street. I helped purify Nicaragua for the International Banking House of Brown Brothers in 1902-1912. I brought light to the Dominican Republic for the American sugar interests in 1916. I helped make Honduras right for the American fruit companies in 1903. In China in 1927 I helped see to it that Standard Oil went on its way unmolested. Looking back on it, I might have given Al Capone a few hints. The best he could do was to operate his racket in three districts. I operated on three continents."

An interesting revelation contained in one of Hillary's classified emails pinpoints the reason [Libya's Muammar Gaddafi](#) was deposed and assassinated. Seems he had accumulated \$7 billion in gold and silver with which he planned to establish an alternative currency to the French franc for African Francophone countries. Interesting story!

The Justice Department is creating another federal bureaucracy to keep an eye on those pesky **constitutionalist & liberty lovers** who don't trust the government. Focus of the new position will be "[Americans motivated by anti-government views](#) and racist ideologies." The new "Domestic Terrorism Counsel" will work with US attorneys nationwide "to identify trends that can be used to help shape a national strategy." Social media is also slated to receive increased scrutiny. Dave Hodges wrote that "this is the beginning of the creation of an '[enemies of the state](#)' list."

ISIS roots. Retired head of the Pentagon's Defense Intelligence Agency (DIA) Michael Flynn admitted that the White House made a willful decision to support al-Qaeda fighters in Syria against Assad despite warnings from the intelligence community. These fighters and others later became ISIS. This [Liberty Blitzkrieg article](#) contains lots more, for example the assertion that 10 of the 15 Saudi 9/11 hijackers received US visas from the US embassy in Jeddah—where Islamist militants are presently being granted visas, due to pressure from the CIA.

In a speech to the UN, Vladimir Putin spoke the truth: "After the end of the Cold War, a single center of domination emerged in the world, and then those who found themselves at the top of the pyramid were tempted to think they were strong and exceptional, they knew better." Then, adopting policies "based on self-conceit and belief in one's exceptionality and impunity," this "single center of domination," the United States, began to export "so-called democratic" revolutions.

"An aggressive foreign interference has resulted in a brazen destruction of national institutions... Instead of the triumph of democracy and progress, we got violence, poverty and social disaster... Nobody cares a bit about human rights, including the right to life... We are all different, and we should respect that. No one has to conform to a single development model that someone has once and for all recognized as the right one."

The Iraqi Agency Press reported that some 100,000 foreign soldiers, including 90,000 from Arab countries and the Gulf States, are expected to be sent to **combat ISIS in 2016**. This appears to be the beginning of a serious war—with no boundaries.



Other hot spots around the globe:

- **Ukraine** is mostly about NATO and the US wanting to place their weapons as close to Russia as possible. How would we feel if Russia was putting missiles on the border in Mexico or Canada? Wait, that happened in 1962 in Cuba. How did we react? Russia feels similarly and can be expected to play tough.
- North and South **Korea** recently went through a standoff, with the latter finally backing away from propaganda broadcasts at the border and joint naval exercises with the US in close proximity to the northern half of the peninsula.
- China is staking its claim to right-away in the **South China Sea**, through which its flow of imported oil passes. They are building and fortifying islands and the US is attempting to stop this construction and occupation.
- Ten percent of the world's seaborne petroleum passes through the Strait of Bab el Mandeb in the **Gulf of Aden**. The US controlled it through the government of President Hadi in Yemen, but Hadi has been overthrown and the US is now obviously not on good terms with the rebels.

Government irresponsibility. Congress voted in the middle of the night on Friday October 30 to lift spending caps and suspend the \$18.1 trillion debt ceiling until February of 2017 (after the election, naturally). The government's "[Bipartisan Budget Act of 2015](#)" also provided an **extra \$80 billion for military and domestic programs**. Unsurprisingly, on Monday November 3 the national debt jumped \$339 billion. Then during the rest of November, the US managed to add another \$335 billion in debt.

This was followed by Paul Ryan and Nancy Pelosi ramming a pork-loaded \$1.1 trillion FY2016 discretionary spending bill through the House, which was quickly approved by the Senate and signed by Obama. The new House Speaker gave welfare state supporters all they wanted, in exchange for receiving all the warfare state it thought it needed. The only positive part of the whole mess was a [speech by Senator Rand Paul](#) prior to the vote that went viral over the Internet, receiving over 60 million views, showing the extent to which Americans are finally beginning to take an interest in what the political mob is doing to them.

An increasing number of Americans are realizing that there is **no material difference between the Democrats and the Republicans**. They are two heads of the same creature .. and NEITHER head has the interest of America or its citizens at heart. Courageous individuals such as Ron Paul have fought inside the establishment, but without enough support to make a material difference.

No self-respecting 2016 publication would be complete without a piece on the **general election**. Here's my entry: "[The Good, the Bad and the Ugly](#)." Paul Walter profiles Trump, Cruz, Rubio and Clinton.

Our creeping police state. In the wake of the Michael Brown incident, Paul Craig Roberts asked if modern day police are [trained to use force immediately](#) as a first resort before they assess a situation; if so, they are merely doing what they're supposed to when, for example, they gun down a 12-year old holding a plastic pellet gun. Lots of recent (shocking) examples are hyperlinked in the article.

It seems however that the number of atrocities being committed by the nation's police is out of control—either that, or reporting by the independent media is improving. For example, here's a short video of a man being [gunned down by police](#) as he attempts to flee with his hands up. And in Philadelphia a man was arrested by the TSA on terrorism charges for [carrying protein snacks](#).



Using a law designed to catch drug traffickers, racketeers and terrorists by tracking their cash, the federal government has been [taking money from the accounts](#) of business owners and wage earners without ever filing a criminal complaint, and the owners are left to prove they are innocent. Many simply give up. Speaking of the TSA, it has announced that in 2016 all [domestic air travel](#) will require either a traditional passport or a federally-compliant ID card called "Real ID." State drivers licenses won't work. As the article notes, special ID's for domestic travel were also features of Nazi Germany and Soviet Russia.

Civil asset forfeitures are carried out according to police department “wish lists,” according to [this article](#) from the New York Times. In fact, seminars are being conducted to provide police officers with useful tips on seizing property suspected of having ties to a crime (flat screen TV’s, cash and cars are preferred). In one oft-cited case, a Philadelphia couple’s home was seized after their son made \$40 worth of drug sales on the porch. Cities in desperate need of money are even including civil asset forfeitures as part of their budgets. Between 1989 and 2010, [US attorneys seized](#) \$12.6 billion in asset forfeiture cases. In 2014, \$4.5 billion in assets were seized, more than the \$3.9 billion stolen by criminals.

Quota complaints. This [short video](#) highlights a growing problem faced by Americans, and in particular by minorities. Starved for income, municipalities across the country are sending revenue quotas to police departments. In California, six police officers **refused to meet arrest quotas** and are suing the city. It should be no surprise that careers of officers who balk at meeting quotas are imperiled. Meanwhile, citizens are suffering and emotions on the street are rising.

An ex-Baltimore cop explained to Jesse Ventura that police officers—particularly those serving in large cities—are now [incentivized to make arrests](#). He confirms that the “war on drugs” is a total failure and believes that legalizing and regulating drugs would eliminate half of the existing crime in America.

When the Feinman family was stopped at a constitutionally questionable checkpoint, they asked simply to pass through without answering questions or having their car searched. The Feinmans [were arrested](#) and their child was taken. A warning to the rest of us?

Your FBI at work. Elton Simpson, one of the accused [Garland Texas shooters](#), had been in contact with an FBI operative who encouraged him to participate in jihad. The “Draw Mohammed” event that fleshed him out was a deliberate provocation of all Muslims, under cover of free speech—but the real goal seems more likely to build popular support for an aggressive US foreign policy in the Middle East in the name of fighting Islam.



This report describes a [secret “black site”](#) revealed in Chicago. Located in a nondescript warehouse, Homan Square is an illegal, off-the-books interrogation compound, similar to those in former communist bloc countries, where occupants can be “disappeared” – for a day or forever.

Obamatrade—the Administration’s **Trans-Pacific Partnership treaty**—is here, weighing in at 100 pounds, 5554 pages, and nearly 3-feet high. Drafted in total secrecy and now agreed to by the US, Mexico, Canada, Australia, Japan, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam, it has landed in the Senate for ratification. But Mitch McConnell said that due to “significant pushback all over the place,” TPP [won’t be voted on](#) until after the 2016 election. **Hats off** to those Americans that sent their objections to the Senate, resulting in the delay!!

And just in time, for TPP is NAFTA on steroids; it's NOT about free-trade as Obama and sold-out Congressmen, including Paul Ryan and Mitch McConnell, claim. The TPP is "a cartel of, by and for the crony capitalists designed to [protect their monopoly interests](#), erect steep barriers of entry on a global scale and put upstarts out of business. It also puts the US Constitution in the dead letter file."

Here's a good example of what might happen. In December of 2015, the World Trade Organization—anticipating the TPP—awarded Canada the right to [collect \\$1 billion from the US](#) over its meat-labelling rules—which require foreign beef and pork to be labeled as foreign. Canada is also apparently suing the US over its "losses" due to the cancellation of the Keystone Pipeline.

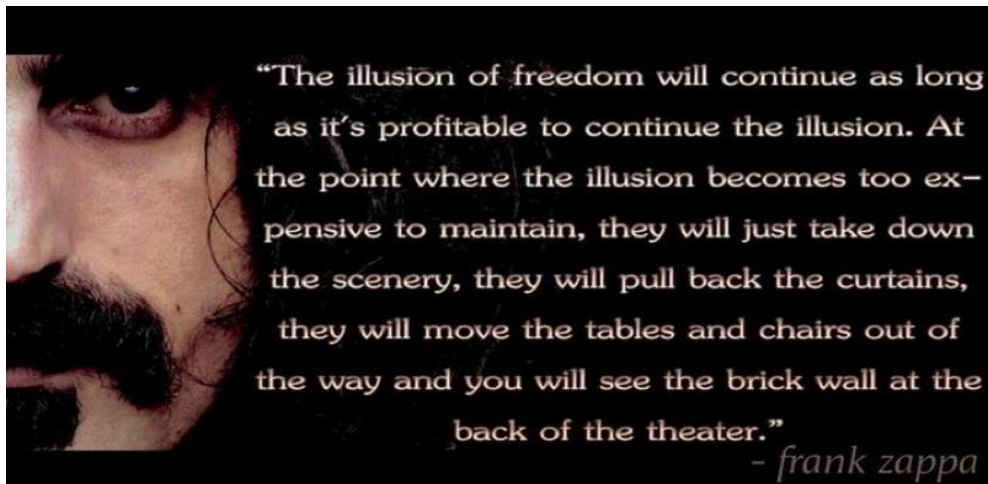
Charles Chamberlain, executive director of [Democracy for America](#) summarized the impact: "This agreement would push down wages, flood our nation with unsafe imported food, and raise the price of life-saving medicine, all the while trading with countries where gays and single mothers can be stoned to death." Under this legislation, **corporations can overrule communities** who attempt to put a moratorium on fracking or force the labeling of GMO Franken-foods. It also is a death warrant for the open internet and future of free speech... A [Tufts University study](#) predicts the loss of 448,000 US jobs.

[Wikileaks released](#) what is believed to be the final version of the TPP intellectual property chapter. It provides that whereas rights of the public are non-binding, almost everything that benefits rights-holders (corporations) IS binding. Copyrights can be extended to life plus 70 years. And on and on, with criminal liability accruing to individuals... Another take on the subject was provided by Dave Hodges, who wondered if China—which is excluded from TPP—would be willing to [go to war](#) to unhinge the agreement.

Two other treaties will follow TTIP in 2016, or later:

- Transatlantic Trade & Investment Partnership (TTIP).
- Trade in Services Agreement (TISA).

Europe appears to be jumping the gun on TTIP, [imposing restrictions](#) despite overwhelming public opposition and the fact that TTIP has not yet been signed into law.



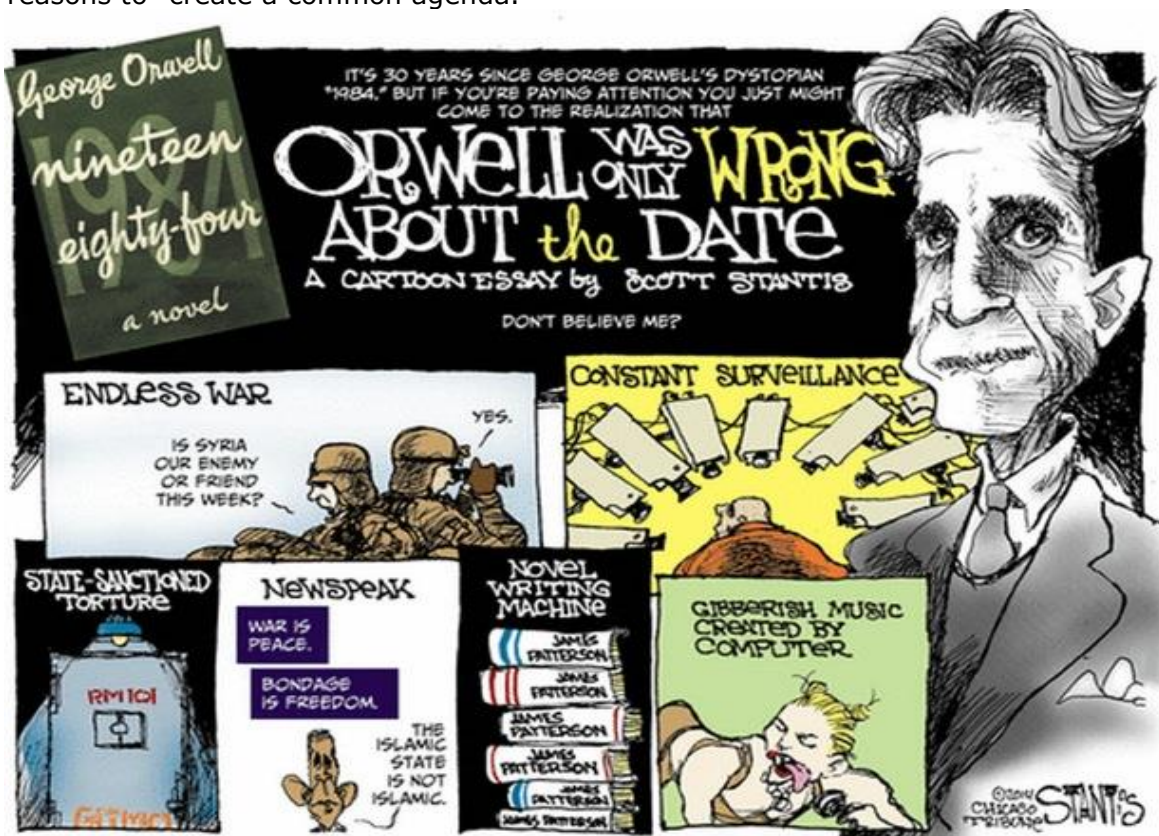
AUMF. Senate Majority Leader Mitch McConnell is fast tracking an [Authorization for the Use of Military Force](#) which would allow the President to declare unrestricted warfare against ISIS, and deploy troops into any of the 61 countries (including the US) where ISIS has a single sympathizer. There would be no time or geographic restrictions on this authorization. The President would not have to consult Congress; the Republicans, it seems, are thinking ahead to 2017?

Democratic Senator [Chris Murphy explained](#) on the Senate floor that the resolution would permanently hand over war-making authority to the office of the president. "It is essentially a declaration of international martial law." As Ron Paul observed, "It is becoming more clear that Washington plans to [expand its war](#) in the Middle East."

China-foe or friend? This long, detailed [CorbettReport podcast](#) concludes that China and the US are NOT heading for war, but instead are each operating under guidelines from the global banking cartel. Corbett cites the “opening” of China by Nixon being greased by one-worlder Henry Kissinger, assisted by David Rockefeller, with its expansion supported by the administrations of both Bill Clinton and George Bush. So, reminiscent of the US-Russian cold war, these two countries are “adversarial at one level, but cooperative at another,” with a common objective of promoting world socialism. Rockefeller’s Chase bank was instrumental in leading 300 major US corporations into transferring technology to China. Corbett also notes that every ambassador to China until 1990 was a Yale Skull-and-Bones alumnus.

Along that line, do Russian plans to launch an [alternative](#) to the West’s SWIFT transaction-clearing system in 2015 mean Putin might be opposing the bankers? Seems unlikely, as Vlad became the latest to call publicly for a “[new world order](#),” with the aim of stabilizing the globe.

Here’s an interview with 91 year old Henry Kissinger, who asks “Do we [achieve World Order](#) through chaos or insight?” Hammering Hank cites nuclear proliferation, climate change and terrorism [all concocted issues] as reasons to “create a common agenda.”



Whereas Aldous Huxley’s Brave New World was intended to condition us to accept the elite’s plan for the future, **George Orwell’s “1984” was a warning.** Orwell wrote (in “1984”): “**If you want a picture of the future, imagine a boot stamping on a human face forever.**”

Confrontation planning. Back to the Controllers, who are afraid of the masses and realize that the American populace is waking up. So they are stepping-up their timetable—stamping out organic food growers and natural medicinal cures, ratcheting up the surveillance state (drones, internet, etc.), pressing Agenda 21 initiatives and more. And increasing central bank gold hoards, while simultaneously stepping on the paper gold price.

And perhaps most importantly, **increasing readiness for confrontation.** Consider the following recent indicators that the Department of Homeland Security (**DHS**) **may be preparing for civil war against the American people** (almost without exception unreported by mainstream media):

- [2012 NDAA legislation](#) allows US military troops to physically take any US citizen and incarcerate him or her indefinitely without formal charges or due process. This provision violates "Posse Comitatus" (established in 1878) and due process guaranteed for citizens under Articles 9 and 10 of the Constitution!! Although reconsidered during subsequent NDAA appropriations discussions, the constitutional violations remain in force!!
- Congress also passed the [Enemy Expatriation Act](#), which allows "subversive" Americans to be stripped of their citizenship and sent to one of the military's "black sites." Which government authorities will make these decisions and what will their definition of subversion be? WHY DID OUR LEGISLATORS PASS THESE LAWS? And WHY NOW? This is NOT a coincidence! This and NDAA legislation will be used as the basis for action under martial law in the US.
- Alex Jones published copies of Army [tactical manuals](#) which describe how to control domestic insurrection. Alex stated that he was told 15 years ago that the power structure planned to impose martial law and confiscate guns, when all was ready. It appears that the time is close at hand. This is all about "brinksmanship with the New World Order."
- Unrest in Ferguson, Missouri brought attention to a 132-page US Army Techniques Publication 3-39-33, written in April 2014. The document details techniques to be applied both outside and inside the "continental United States (CONUS) in the event of "unruly and violent crowds" where it is "necessary to quell riots and restore public order." In clear defiance of the US Constitution, [the military are planning to be in our streets](#) and they are getting us used to it with the Jade Helm exercise (below).
- [Homeland Security](#) initially purchased over 450,000,000 hollow point .40 caliber bullets and 175,000,000 .223 caliber rounds of ammunition, and since then has since upped its small-arms ammo orders to 2.2 billion (enough bullets for a [hot war for 20 years](#)), and supplemented them with [2700 armored personnel carriers](#). DHS, NOT THE MILITARY, is buying these weapons! And 101 colleges and 22 school districts are getting used military gear like this for free!



- The US Treasury solicited bids for [survival kits](#) for every employee (400) at its Office of the Comptroller of the Currency (OCC), which conducts on-site reviews of banks throughout the country. Each kit includes everything from water purification tablets to solar blankets to an "Air-Aid emergency mask," in a backpack, at a price not to exceed \$500 each.
- The Federal Reserve also posted job requirements for an "[emergency preparedness specialist](#)" familiar with "Homeland Security directives" and Hazmat procedures.
- Other agencies have jumped on the pile: for example, the National Oceanic and Atmospheric Administration ([NOAA](#) = weather forecasters) purchased 118,000 hollow-point bullets. The Department of Agriculture bought .40 caliber [submachine guns](#) with 30-round clips and night sights—a bit removed from DOA's original purpose of aiding farmers! DOA is also buying [body armor](#)—specifically ballistic vests.
- The State Department is buying hundreds of pounds of [plastic explosives](#) and thousands of containers of liquid explosives. The [US Postal Service](#) is stocking up on weapons and ammo.

- Homeland Security is making up for its failure to provision its shotguns; let's see, [25 million shells](#) should do it! DHS also purchased [62 million rounds of ammo](#) used in AR-15 automatic rifles.
- [Local police](#) are being militarized, receiving high caliber weapons used in US Mideast wars and starting to look and act like [military units](#).
- In this [short interrogative](#), Rand Paul asks a Department of Homeland Security representative why it feels local police need to be given bayonets.
- In early 2012 FEMA began purchasing millions of meals and later in the year began soliciting bids from subcontractors to provide "[Temporary Camp Services](#)" at [FEMA detention camps](#) in all 50 States. Here's another [link](#). And another, referencing specific government plans for [handling citizens](#) at resettlement camps. In August 2013, FEMA began [scrambling to stockpile](#) food reserves, asking for immediate delivery.
- The internet also contains pictures of vast rows of [plastic coffins](#), stacked and presumably ready for use. And stories are circulating about [30,000 guillotines](#) stored in Montana and Georgia. [Why guillotines?](#) The guillotine is an efficient killing machine that lends itself to salvaging useful body parts. [A personal friend told me that an individual he trusts who works with the US government confirmed seeing water-boarding and "execution" machines stored in DHS/FEMA warehouses.] What scenario are they expecting?



- The US military is being trained to [quell domestic violence](#). Its commanders been reportedly asked to commit to firing on American citizens if it becomes necessary. Some are obviously dragging their heels, for the Obama administration has fired senior military commanders in what is approaching a [purge](#), reminiscent of Stalin's global gulag.
- The DHS has purchased [cardboard cutouts](#) of "non-traditional threats," such as pregnant women, the elderly and children—presumably to de-sensitize police from moral reservations about shooting fellow citizens.
- Here's a short video of [armored U.N. trucks](#) moving through the southeast US.
- A Department of Defense directive issued in 2010 that authorizes the use of [lethal military force against civilians](#) was apparently considered as a basis for deploying military force against Nevada rancher Cliven Bundy and his armed supporters.
- The Attorney General posted on its website a plan to create a new [Justice Department task force](#), then hastily withdrew it. The plan would target "homegrown terrorism," and cited faux events such as the FBI-staged Boston Marathon bombing as examples.
- Retired Border Patrol insider Zach Taylor provides [here](#) a SHOCKING firsthand account of security issues he has witnessed. Taylor says the entire border crisis is being used to facilitate a widespread national crisis. He adds that "FEMA is preparing for 200 million deaths in the United States."
- Alex Jones interviews a retired Marine Colonel who describes preparations being taken by the Department of Homeland Security—for [war with American citizens](#).

- Homeland Security has placed a purchase order for "[less lethal specialty munitions](#)." The order will include a wide range of gas and chemical grenades, rubber bullets and "controlled noise and light distraction devices." Why are the Feds prepping to take on crowds?
- The federal government is worried about [veterans with guns](#) and is using the Department of Veterans Affairs to disarm them. Vets who seek medical care at the VA say their records are being sent to the FBI and BATF which conduct criminal background checks which can then be used as a basis for raiding their homes and confiscating firearms.
- DHS renewed a controversial plan that would allow Immigration and Customs Enforcement (ICE) to have access to a [national license plate tracking](#) system.
- The New York Fed [moved some of its operations](#) to Chicago, and NORAD moved back into Cheyenne Mountain. Something big in the works?
- A federal appeals court has asked the Obama administration to explain why the government should be allowed to keep secret its plan to [shutter mobile phone service](#) during "critical emergencies."
- The Bureau of Reclamation wants to buy [52,000 bullets](#) for use in law enforcement at Hoover Dam and Lake Mead. Which means, I suppose, Lake Mead is not a good place to fill my water bucket?

Gun grab. The UN called at a recent meeting for mandatory installation by weapons manufacturers of [RFID chips and biometric tracking](#) of guns and ammunition, eventually limiting their use to "authorized users only." It also called for "strengthening" 3D weapon printing regulations.



It's true. The US has the highest rate of [gun ownership](#) in the world, with 90 firearms per 100 residents. However Honduras, which has strict gun control, is the world's murder capital. At the same time the US, with 4.7 murders per 100,000 people per year, comes in at **111th place globally**. The highest murder rates inside the US are in **cities with strict gun control laws**, such as Detroit, New Orleans, St. Louis, Baltimore, Newark, Oakland, Stockton and Kansas City.

For those who think government roundup of firearms is a good idea, [consider this summary](#) from Dave Hodges of the **number of people exterminated AFTER gun control was imposed**: Turkey, 1.5 million Armenians, 1915-17; USSR, 40 million "difficult" citizens, starting 1929; Germany, 13 million Jews, gypsies, homosexuals and others, 1939-45; China, 50 million political dissidents, starting 1935; Guatemala, 100,000 Mayans, 1964-81; Uganda, 300,000 Christians, 1971-79; Cambodia, one million of its "educated", 1975-77; Rwanda, one million Tutsis, after 1994. In the 20th century, **government murdered** four times as many civilians as were killed in all the international and domestic wars combined.

Practicing for martial law. Jade Helm 15 [military exercises](#) were conducted across Arizona, California, Colorado, Nevada, New Mexico, Texas, Utah, Florida, Louisiana and Mississippi from July 15 to September 15 of 2015, involving about 1200 elite US troops operating under conditions of simulated martial law. Despite wide concern that the maneuvers might lead to actual martial law imposition, nothing of significance happened. The exercises were also accompanied by recorded movements of a massive number of military vehicles—whose redeployment has NOT been reported. Why were the vehicles left in place, and what does that imply for their (and our) future?



We've already learned that **UWEX16** (Unconventional Warfare Exercise) is slated to be a [2016 version of Jade Helm](#). The US military will return to Bastrop, Texas for exercises using private land, running from March 10 to June 5, 2016. Because the people of Bastrop County were removed from any public debate over military operation within County limits, some have observed that [martial law](#) is already in effect. UWEX is training for guerilla war. Are we the guerillas?

Although September 2015 was loaded with dastardly signs: Jade Helm 15, Shemita, the Blood Moon Tetrad, a major FOMC meeting and addresses from a pope, the only significant obvious event was a lousy 1100-point drop in the Dow over two trading days. Seriously, we're quite happy with the way the month went. However, since Shemitah and Blood Moon Tetrads are historically associated with major events, but not necessarily tied to precise dates, their warnings may remain valid.

During Jade Helm, six Walmart stores were closed for "plumbing repairs." [Dave Hodges relayed](#) a report from a worker in the **Midland Walmart store**, to the effect that it had been **converted into a detention camp**, with bunk beds replacing shelves and guard towers at the corners. Workers used a subterranean entrance and did their work under conditions of extreme security and compartmentalization. If there was a **silver lining** to alarm expressed about Jade Helm it was that it awakened thousands of Americans to the idea that the government may not be our friend after all. And so when on January 16 Walmart announced the [closing of 154 stores](#), concentrated in southern states and including 29 in Texas—speculation about the implications began.

Martin Armstrong has been reporting that events since 10/1 are validating his ECM model. And Lindsey Williams confirmed that the elite clock started running in September (page 40).

Pastors for hire. A highly-disturbing article describes the Department of Homeland Security's [Clergy Response Team program](#), under which over 28,000 pastors have allegedly been recruited to help DHS in **arrests and detention of Americans in FEMA camps**. Participating preachers are being muzzled by 501(c)3 regulations regarding what they can do and say about the program, including in their churches. After imposition of martial law, pastors without a CRT badge will not be allowed in designated "DHS safety zones." The pastors are trained to convince reluctant citizens to willingly go to relocation camps, then to maintain order there while consoling individuals who have been (forcibly) separated from their families.

Insider confirmation of civil war preparation was provided by private investigator and internet show host Doug Hagmann. Hagmann reported, starting in 2012, on a series of remarkable clandestine contacts with a high-level DHS insider code-named "Rosebud." You can read his 2012 reports [here](#), [here](#) and [here](#) and 2013 reports [here](#), [here](#) and a final (12/27/13) report [here](#).



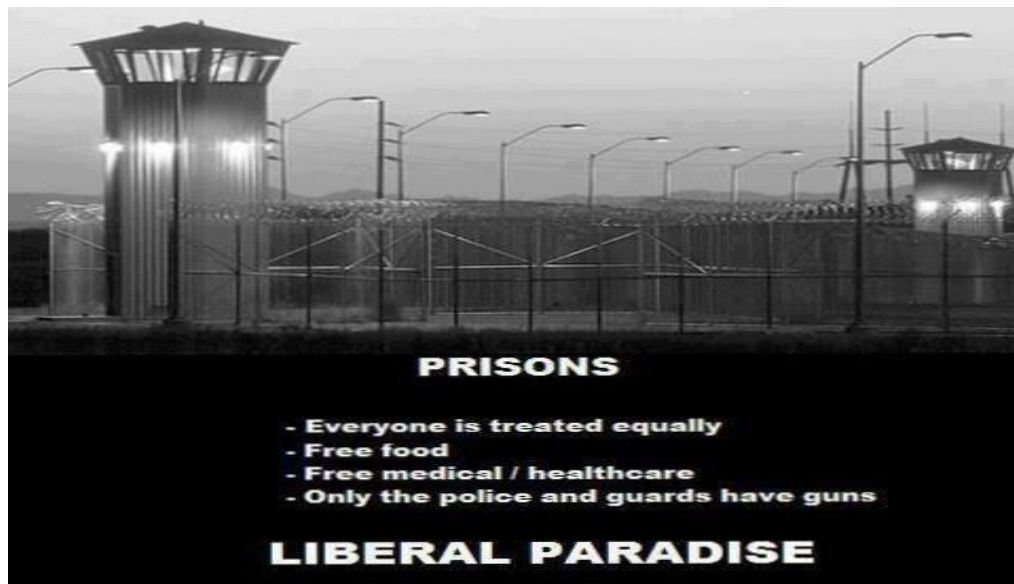
Following are highlights from Rosebud's disclosures:

- "Preparations have been finalized to respond to a **crisis of unprecedented magnitude within the United States**. The response will include the use of **lethal force against US citizens**."
- "The crisis will be rooted in a **deliberate economic collapse of the US economy**, with the oversight of the White House and full knowledge of the Justice Department."
- "The coming **collapse of the dollar—as a reserve currency—is a done deal**."
- "The '**big bang**' comes at the end, when people wake up one morning and can't log into their bank accounts, can't use their ATM cards, and find out that their private pension funds and other **assets have been confiscated**."
- "I've seen documentation of multiple scenarios created outside of DHS: different plans and back-up plans." **False-flag scenarios** mentioned by Rosebud include a **cyber-attack** and a "**significant terrorist attack on US soil**." Events "will be blamed on some unforeseen event out of everyone's control. Before people can regain their footing, a **second event** will be triggered."
- "The response will be **controls and restrictions** on travel, business, free speech, gun ownership and every aspect of our lives"—essentially martial law, "for the 'security' of those affected by the turmoil. Count on **criminalization for possessing just about every gun you can think of**. I heard this directly from the highest of my sources."
- "My best guess is a combination of the riots of the 1960s along with the gasoline rationing of the 1970s, at least at first. Once people who want to save the country, those with good intentions begin to organize, it will become incrementally worse. Each blow will be worse than the last."
- "DHS and other organizations, including the NSA, have become the **private army of the Oval Office**. **It's not just Obama, but the men behind him, the people who put him there. He is a creation of the globalists, the product of decades of planning, made for this very time in our history**."
- The DHS and TSA "**will use our hunger as leverage**. They will use **medical care** as leverage."
- "You will see the internet being regulated to serve the administration's agenda. Watch for a serious **crackdown on bloggers**, online news publications and websites."
- I've seen – personally – a map of North America without borders. Done in 2012. The number **2015** was written across the top, and I believe that was meant as a year. Along with this map – in the same area where this was – was another map showing the **United States cut up into sectors. Zones. And a big star on the city of Denver**."
- **Detainment camps** across the US are being activated. "DHS is pre-positioning assets in strategic areas near urban centers all across the country. Storage depots. Armories."
- Money is flowing, with strings attached, to **local police departments**. "DHS is preparing to work with police departments and the TSA to respond to civil uprisings that will happen when there is a **financial panic. And there will be one**, when the dollar won't get you a gumball."
- "This is about **dismantling the United States** and nothing less. This is about foreign interests that have taken over our government without a shot. This is an agenda of global interests, the money interests. **Most politicians are clawing their way for a seat at the global table**."
- "The US has **no inventory of gold**. The very people causing prices to drop [bullion banks] will emerge extremely wealthy when the prices rise after the US currency becomes wallpaper."

CNN reported that a Department of [Homeland Security assessment](#) is focused not on ISIS, but instead on **"the domestic terror threat from right-wing sovereign citizen extremists."** Mark Potok of the Southern Poverty Law Center says that by some estimates, there are as many as 300,000 people "involved in some way with sovereign citizen extremism."

What kind of event would cause the American populace to rise up against the US government? Rosebud told Hagmann that it would be **due to "blowback"** from a new war in Syria against Syrian and Russian troops, and **"the killing of the US dollar."** This appears to have been the plan, but resistance from American citizens (and a crafty move by Russian President Vladimir Putin) prevented the Syrian military engagement from taking place. We are now being tantalized by ISIS.

Gerald Celente suggested in 2014 that the Controllers are planning a "bank holiday" following a European bank collapse, attack on Iran, derivative implosion or some similar event—which would result (when the banks reopened) in a **shocking drop in the dollar's purchasing power**. There are many other potential scenarios.



Insider action. In addition to monitoring what government is doing, we also like to watch actions of individuals who are connected at high levels of government and Wall Street. Along that line, we noted that John Paulson, who made billions shorting subprime credit markets in 2007, raised the percentage of gold in his \$21 billion hedge fund to 44%, while billionaire insider George Soros reportedly exchanged over one million shares of stock in financial companies and banks for \$130 million of gold. In 2012 Soros told Newsweek that riots following a financial collapse are inevitable. "It will be an excuse for cracking down and using strong-arm tactics to maintain law and order."

American Kabuki blog reported that "more than 600 [banking executives have resigned](#) positions and one reporter said he had been personally told that a substantial number of Wall Street bankers shopped for "prepper properties."

Brandon Smith wrote that the "[endgame has arrived](#)" because "the criminals are coming into the light, and they are wearing the masks of saviors."

- o Alan Greenspan is suddenly a staunch promoter of economic caution.
- o Janet Yellen openly conceded that cash is *not* a convenient store of value.
- o Jamie Dimon asserted that another financial crisis is coming.
- o The IMF warned of 'shadow banking risks.'
- o The World Bank warned 'now is the time to prepare for the next crisis.'
- o The BIS predicted a possible 'violent reversal of global markets.'"

From the **2015 elite gathering at Davos** comes an exclamation point. Robert Johnson, president of the Institute of New Economic Thinking, told attendees, "Very powerful people are telling us they're scared. I know hedge fund managers all over the world who are buying airstrips and farms in places like New Zealand because they think they need a getaway." [This article relays information](#) from the Wall Street Journal about underground Survival Condos going for \$1.5 million each, and from the Mirror ("If they could get off, onto another planet, some of them would)," and more. **"The elite know that eventually a breaking point is going to come.** Those that are smart don't want to be around when that happens."

Dave Hodges, host of the Common Sense Show, reported in December of 2012 that ["There has been a notable flow of Ex-Feds & Wall Street execs going into hiding."](#) Included in his report were comments about a stream of retired NSA officials making their way to the Ozarks; this movement was also highlighted in a 2012 Jesse Ventura ["Conspiracy Theory"](#) episode. Hodges [wrote again](#) about this subject in September of 2014.



And hot off the press, as we move into 2016: a fourth fund manager abruptly [shut his hedge fund](#); Doug Hirsch is shutting \$500 million Seneca Capital, answering the question "Which hedge fund will close today?" A 12/31 comment from a "broker friend": "If you listen closely you will hear the only real demand for jet fuel these days. G 650's spooling up to 105% and taking off at a steep angle of climb. Headed to their elite doomsday compounds in New Zealand and Argentina, no doubt. This has been going on quietly for awhile now! 1-2 a day, big money billionaires cashing out and going Gault. (Referring to John Gault, hero of *Atlas Shrugged*). Time to start getting your mind around what this means."

Another insider to which I pay close attention is [Lindsey Williams](#), quoted earlier, and an ordained Baptist minister who lived and formed friendships with senior oil company executives during construction of the Alaskan Pipeline. Two of his "elite" friends have during recent years provided him with confidential information about global Controller plans. Lindsey's use of the word "elite" can be considered interchangeable with "Controllers." During talk show appearances in 2013 and in DVDs in 2013, 2014 and 2015, Williams relayed the following information from his elite informers:

- **A worldwide financial collapse is planned for the period between 2015 and 2017.** Events that occur will be the most dramatic anyone alive has experienced.
- **A global currency reset** could happen at any time. Currencies are to be revalued according to the country's assets, with the **dollar expected to lose 30-50%** of its purchasing power.
- The elite have delayed the collapse, waiting for additional **indebtedness** of individuals, municipalities and nations, while attempting to increase the percentage of the US populace dependent on the government to 70%. They have also been waiting until **Obamacare**—which is not about medical care, but rather an expansion on the Patriot Act as a **"final total control bill"**—was firmly in place.
- **Derivative failures** will occur at one of the five US banks that holds more than \$40 trillion of derivatives (see Chapter 4), resulting in bail-ins.
- Interest rates will rise, the stock market will crash, and "massive corporate bankruptcies" will occur. Housing will collapse and banking institutions will be distilled to ten, under Fed control.
- Prices of all commodities will fall except food—which will rise.
- The Fed used its Q/E programs to purchase mortgages from member banks, then used them as collateral for leveraged derivative investments—thereby gaining control of a large percentage of

mortgaged US homes, retail and small businesses property. They will foreclose on individuals and businesses who cannot keep up mortgage payments.

- Saudi Arabia will be the last nation to fall to the Muslim Brotherhood. Iran will be allowed to join the nuclear club [happened].
- 30-50% of assets in IRAs, 401k's and pension funds will be nationalized.
- Gold will drop initially, then rise "exponentially." No attempt will be made to recall it since the **elite consider gold "their currency."** They intend to link gold to their new currency at a price of at least \$3,000; silver will be priced at \$75 or higher.
- The investment advice given personally to Lindsey was to **put his money into tangible assets** and keep in paper only the amount he could "afford to lose." Tangible assets—especially physical gold—will be the only assets providing value. He was also offered help in leaving the country temporarily, which he declined.
- **Following currency wars (ongoing) and trade wars (starting), the Fed will raise interest rates—a signal that the transition is about to happen. Just happened.**
- Although the US government has been making plans to counter American dissent, the elite do not want a revolution. They are **hoping for a peaceful transition to the NWO**, without riots or guns. But violence will occur, potentially including fist-fights on the floor of congress.
- The elite have accelerated plans due to the awakening going on globally, but especially in the US. The only thing they are **afraid of is the strength of awakened masses of humanity**. They are not a homogeneous group, and in-fighting is currently going on between the old guard—which favors free-enterprise capitalism—and socialist "renegades" led by Obama supporters.



- Elites expect "catastrophic" water damage on the east coast, due to a comet landing near Puerto Rico. They also anticipate "divine intervention" (possibly the "anti-Christ").
- Based on the resistance displayed by Americans to gun control, **Lindsey thinks the NWO agenda will be defeated in America**. He also noted that all of the elite live personally away from major metropolitan areas, and that a number of congressmen are "lining up for positions" in the NWO.

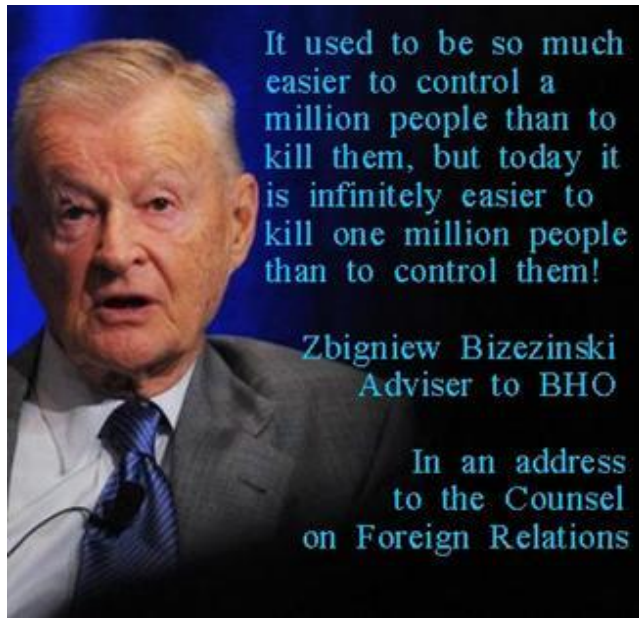
His answer to the obvious question of why elite individuals would allow him to publish insider plans is that he satisfies an elite "code" requirement to provide advance notice to the public of their intentions. He has provided very accurate information in the past regarding manipulation of oil prices and in several other areas. The developments that Lindsey identifies are not that unique, but his description of the big picture and the timing are.

Economic end game. The Economist provided some visibility in 1988 into elite plans, predicting the arrival by 2018 of a [one world currency](#) it hypothetically termed the Phoenix.



All national economic sovereignty would be erased and governments would have to borrow from a world central banking authority, rather than print, in order to finance their infrastructure programs. Since the Economist is in large part owned by the Rothschild banking family and based out of the London financial center, the prediction likely represents planning that has been underway since then.

The Phoenix would “probably start as a cocktail of national currencies under the auspices of the International Monetary Fund. Over time its value against national currencies would cease to matter, because people would choose it for its convenience and the stability of its purchasing power.” **The Phoenix would replace the petro-dollar as world reserve currency, then slowly phase out all sovereign currencies until the basket became the ONLY currency. Gold would also be a part of this basket.** As noted below, China, Russia and other BRICS nations appear to be currently on board with this plan.



I believe that the following fairly summarizes current global Controller financial objectives:

- **Reduce the living standard and spirit of the American populace.**
- **Transfer assets from Main Street to too-big-to-fail banks.**
- **Implement a global, digital fiat currency.**
- **Own or control the vast majority of the world's resources, including gold.**

Recommendation: We think it's worth preparing for some type of financial crisis, one which will hammer the purchasing power of the US dollar—dealing a devastating-enough blow to ordinary Americans to cause a great number of them to rise up against the banks and the government. In my opinion, as of January, 2016, we may have only about 9 more months to prepare.

We are hopeful that American citizens will in the end prevail against the Controllers and kick their butts and their banks out of our country.

Chapter 4: DEBT & DERIVATIVES: CONTROLLER CHESS PIECES

"There is no means of avoiding the final collapse of a boom brought about by credit expansion. The only alternative is whether the crisis should come sooner as a result of a voluntary abandonment of further credit expansion, or later as a final or total catastrophe of the currency system involved." – Ludwig von Mises

Bring on the debt. Giving credit where it is due, our current economic pickle has its roots in the unsustainable "guns and butter" programs of Lyndon Johnson, who attempted to implement his "Great Society" at the same time the US fought the Viet Nam War. Johnson removed gold backing for the dollar in 1968, leading to the 1971 refusal by Richard Nixon to allow foreign nations to continue to redeem paper US dollars for gold, thus "closing the gold window." (Gold ownership by US citizens was made unlawful by FDR in 1933.)

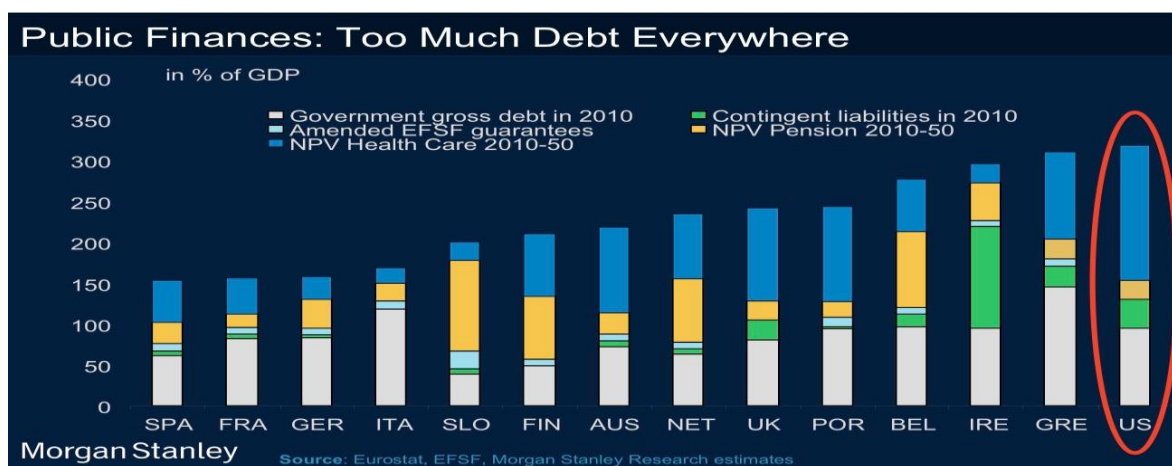


These actions freed Congress from the need to restrict spending. With gold no longer anchoring the US money supply (and limiting the number of dollars in circulation), Congress was handed the equivalent of a giant credit card, with no spending limit—and taxpayers in line to foot the bill in the indefinite future.

And spend they did. Congress found enough programs, causes and special interests for which to appropriate money to run the US budget deficit from \$322 billion in 1972 to over \$19 trillion today! That's shocking enough, but there's much more to the deficit than the government and mainstream media like to talk about.

What's less discussed is that during the past 40 years, Medicare and Social Security Trust Fund "lock boxes" have effectively been raided. The government has been using excess (not paid out to current recipients) Medicare and Social Security taxpayer contributions to pay current government expenses—robbing the accounts into which this money is supposed to be accumulating. Actuarial estimates of the value of this future unfunded liability range from \$66 to \$200+ trillion, with the lion's share of the shortfall attributable to Medicare. Each Trust Fund contains IOUs from the US government, but no assets. These massive government obligations can obviously NEVER be paid.

Although this Morgan Stanley graph is somewhat outdated, the visual portrayal of our total government debt as a percentage of GDP (Gross Domestic Product) as being right up there with Greece—is not.

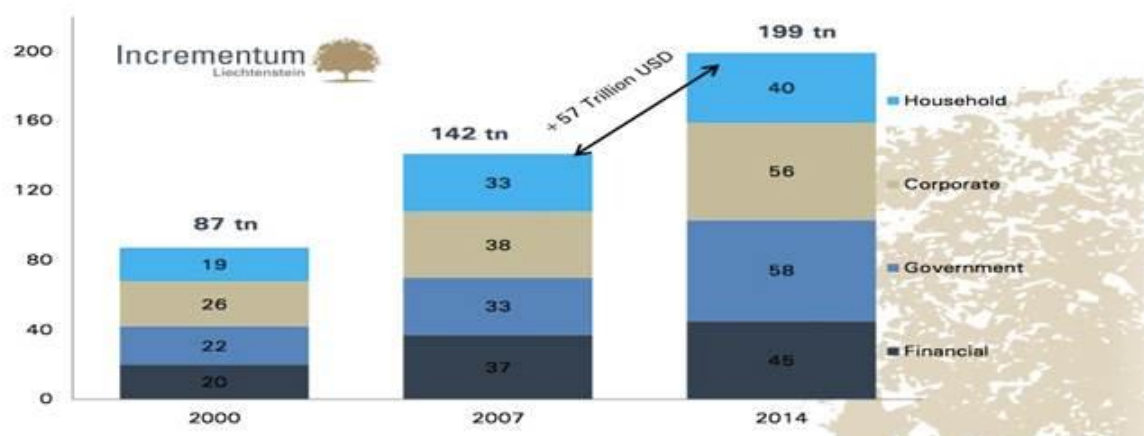


The US figure is also at its highest level since WW II—and **we have been at peace** for seven decades! By way of explanation, government debt pictured above includes federal, state and local debt. As the 21st century began, with interest rates held at artificially low levels and excess money sloshing through the economy, states and municipalities were encouraged to join the credit party: one example is public employee pension funds, which are currently underfunded by an estimated \$3 trillion. *NPV ("Net Present Value") Health Care* is the current value of our unfunded Medicare obligations and *NPV Pension* is the amount that should have been set aside to handle future Social Security benefits. These figures represent very conservative estimates of funds that should exist to pay future bills, but don't.

Individual savers also became big spenders and incurred mounting debt to finance their good times, running US household debt to nearly \$14 trillion. And now, the latest economic segment to join the out-of-control debt parade: [student loans](#), which have topped \$1 trillion.

Global debt has [grown exponentially](#) since 2007, soaring by \$57 trillion, to about \$275 trillion or 385% of world GDP—an astounding **\$38,000 of debt for every person alive**.

Nevertheless, Private Households, Corporations And Financial Institutions Have Been Increasing Their Debt Levels Significantly!



This UK Telegraph article contains a [great interactive map](#) which allows you to compare debt-to-GDP levels of nations around the world (and the US is among the worst).

How can any sane individual believe that any of this debt will be repaid? IT WILL NOT EVER BE REPAYED! It will either be inflated away through unprecedented money printing, or it will be defaulted upon. And when default occurs, the machinery of borrowing and lending will seize up. No one will trust that he will get paid. And the trillions of credit that was produced out of thin air will simply disappear as quickly as it materialized—overnight.

Where the money comes from. Congress has two avenues for financing its expenditures. The first is to get money from the public through taxes, but raising taxes is never a popular option. The other choice is to issue bonds and that's the way money has been appropriated for the last 40 years: an increasing volume of bonds. To sell those bonds, the US Treasury uses an auction process and, until the last decade, foreign governments have been willing bidders.

Japan could be counted on to buy bonds due to its gratitude for our six-decades of military support, and China bought Treasuries to keep money flowing and the American consumer buying Made-in-China products. But the weakening dollar left those two nations holding trillion-dollar bags of Treasury securities, and both have backed away from the table. So what happens when an auction fails to find buyers for all of the bonds that need to be sold (to finance new government obligations or to simply rollover old debt)? The bonds could be offered at higher yield to attract additional buying, but the Treasury has been reticent to do that, due to the added interest cost.

That's the cue for **the Federal Reserve to step in** as the buyer of last resort: it is able (by design) to support continuing wanton spending by Congress. Whenever a Treasury bond sale fails to find enough willing bidders, the Fed has been ready and willing to "print" enough (digital) Federal Reserve Notes to complete the offering. Its buying has increased sharply over the past five years, and that's what the Q/E programs were all about. We'll expand on this topic later in the chapter.

Through this process, **the Fed indirectly controls America**. Consider these quotes:

"Give me control of a nation's money and I care not who makes its laws. The few who understand the system will either be so interested in its profits, or so dependent on its favours, that there will be no opposition from that class... The great body of the people, mentally incapable of comprehending, will bear its burden without complaint, and perhaps without even suspecting that the system is inimical (contrary) to their interests." – Mayer Amschel Rothschild, 1788



"It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning." – Henry Ford

Here's a concise [7-minute video](#), explaining the creation and operation of the Federal Reserve.

Due to its stepped-up buying, the Fed now owns about 50% of all Treasury securities maturing globally over the next 10-15 years, representing one-third of the [entire US bond market](#). It has effectively [monetized](#) our massive annual federal deficits. In the process, it is also taking control of a preponderance of US mortgages. (More later on this as well.)

A historical sidelight. As an important segue, let's back up for a minute to summarize how Uncle Sam hijacked the world's monetary system in the Mount Washington Hotel in Bretton Woods, New Hampshire, in 1944. Representatives of 44 countries, most of whom had suffered devastation and penury as a result of World War II, attended.

The United States was the last country standing, with cities unbombed and factories the envy of the world. US power was supreme. With 70% of the world's gold in hand, the US dollar was established as the world's standard, the de facto global reserve currency, with all nations of the world "pegging" their currencies to the dollar. The US "guaranteed" at Bretton Woods that its dollar would be forever convertible to gold at \$35.

Forever turned out to be "for as long as politically expedient," for as noted earlier when it became inconvenient in 1971 to continue sending gold to the French under Charles de Gaulle, Nixon canceled

convertibility. The world's central banks swallowed the pill and have sat with their billions of US paper dollars ever since. Whether for the importance of their trade relationship with the US or an unwillingness to admit their reserves might now be worth less, the world's central bankers let the swindle stand. Until, that is, the present time.

Money and how it is created. To refresh your awareness of what money is and is not, consider what Ayn Rand wrote: *"When you accept money in payment for your effort you do so only on the conviction that you will be able to exchange it for the product of the effort of others. It has to be created."*



Economics texts define money as:

- A **standard of value**, used to express the price of goods and services.
- A **store of value**, holding purchasing power over long periods of time.
- A **medium of exchange**, easily transferable from one person to another.

Direct barter was the earliest form of financial exchange. As society evolved, other exchange mechanisms were tried. Ancient Egyptians used barley; Tibetans used bricks of pressed tea leaves; Solomon Islanders used arm rings made from the shells of giant clams. And just about every society has at some point used livestock as a medium of exchange. But each of these forms of money had limitations.

Over time, most societies settled on pieces of metal as their money. Copper—being more abundant and less attractive—was used as small change, with silver used for higher denominations and rare, beautiful gold representing the highest value. These metals were chosen because they were scarce, divisible, durable and hard to replicate. Gold was chosen as ideal money in accordance with properties of money first listed by Aristotle in the fourth century, B.C. (see chapter 8 for details).

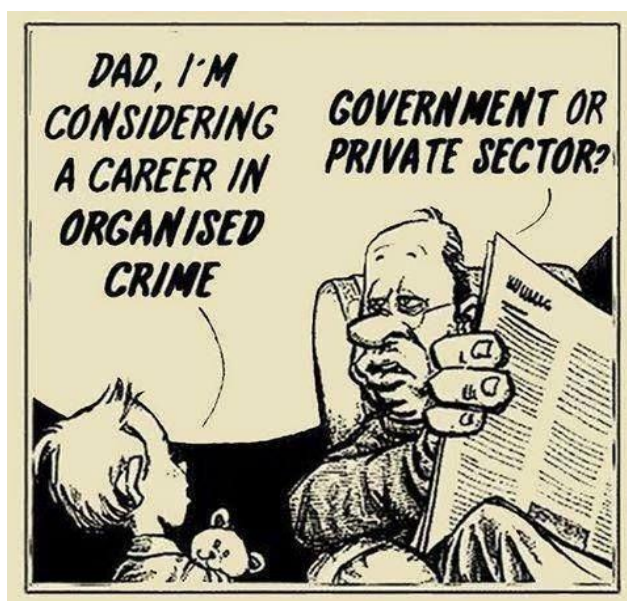
So modern man freely chose gold as money; no one mandated its use. The first true gold coins appeared in Lydia, now part of present-day Turkey, around 600 B.C. Over ensuing centuries, minting techniques were refined by the Greeks, Persians and Romans. Once established as humanity's money of choice, gold came to be synonymous with wealth and power. As Europe emerged from the Dark Ages and began to look outward, the search for new gold supplies became a key driver of modern history. Cortez and Pizarro led invasions of the New World in search of gold. In 1848, the California Gold Rush began.

Currency separates from money. Metal coins were inconvenient—bulky and noisy in large denominations—and tended to wear out over time. So in 1690, founders of the Bank of England started issuing paper substitutes for the actual gold (and silver) coins. The pound note marked the first time in the Western world that money (a standard and store of value) was separated from currency (a medium of exchange). Currency is the physical representation of money—a **money substitute**, created to pass conveniently from hand to hand in return for goods and services.

To make the currency viable, Isaac Newton's genius was enlisted; Newton defined the pound as a precise weight of gold in the Bank of England's vaults. Thus, paper currency (the pound) circulated as a substitute for money (i.e., gold), while gold provided the standard to which the value of paper currency was measured. Linking gold to bank-issued currency came to be known as the "classical gold standard." And except for an occasional war-related interruption, it served the British Empire well for two centuries. It was the **most successful** monetary system the world has ever experienced.

Monetary history in the US. After winning its independence, the United States of America authorized only gold and silver to be used as money. In 1793, the US began minting gold and silver coins, defining the dollar as 371.4 grams of pure silver. In 1828, Andrew Jackson shut down an attempt by independent banks to issue unsound money. Later, government paper was issued—in direct contravention of the US Constitution—to finance the Civil War, with disastrous results.

After the Civil War, the dollar was re-defined as a weight of silver, and gold was also measured in terms of silver. Then in 1900, the US adopted Britain's monometallic classical gold standard, under which adjustment of trade imbalances was automatic. Say, for example, that British consumers ran a trade deficit with their German counterparts (that is, they bought more stuff from the Germans than Germans bought from them). Under the gold standard, British gold would flow to Germany, causing Britain's money supply to shrink. The resulting reduction of credit would slow its economy and make its citizens feel less prosperous, causing them to buy less from abroad. Germans, meanwhile, would have extra money to spend and invest, thus boosting economic growth.



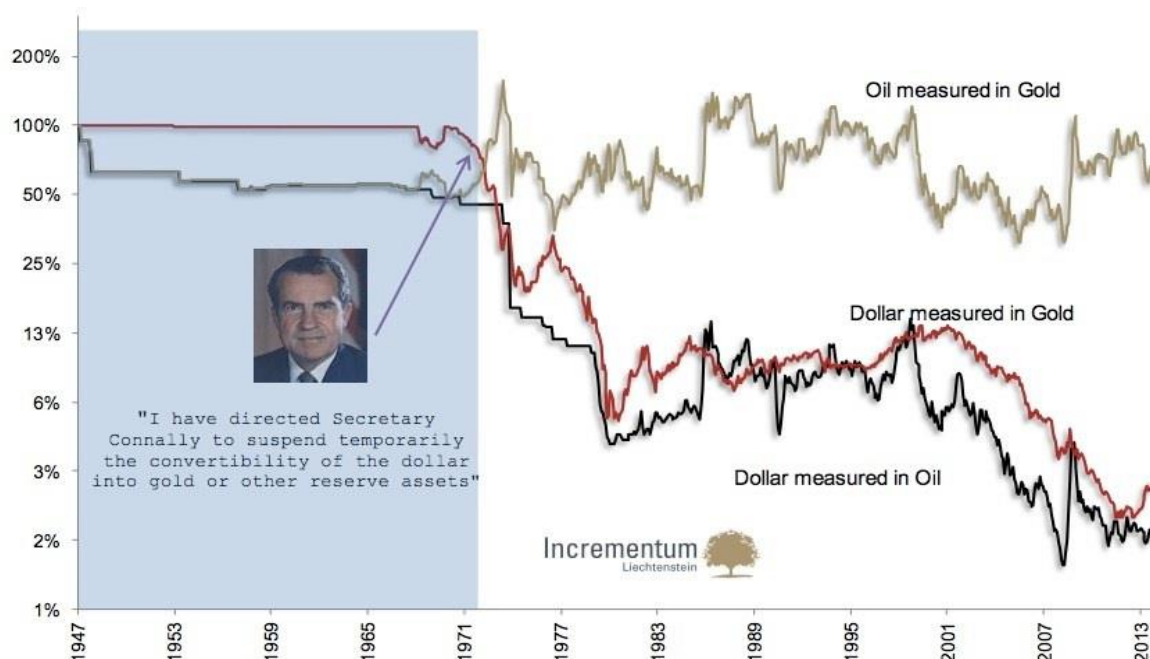
Fractional reserve banking. Under the gold standard, some spectacular booms and busts occurred. However, the real reason for their occurrence was fractional reserve banking (FRB). Previously, the pound currency had been backed 100% by actual gold and silver coins, held in vaults. With such a 100% reserve system, the money supply grows at the rate of new gold and/or silver supplies, which is to say very slowly. An economy under this system would be capable of growing steadily for long periods of time without excessive debt accumulation or monetary instability.

Under FRB, British bankers began to make loans based on the gold reserves they were holding—under the assumption that not every pound holder would simultaneously want their gold. For instance, the bank might receive a deposit worth 100 pounds. If the amount required to be kept in reserve was 20%, the bank could make a loan for 80 of those 100 pounds. A recipient of such a loan would deposit the funds in another bank, which would hold back 16 pounds (20%) and re-loan 64 pounds. And so on. Under FRB, the total amount of credit in the system could vastly exceed the original deposit.

In good times, when citizens are willing to borrow and banks are able to lend, credit grows at a faster rate than the money supply. In hard times the credit machine is thrown into reverse and [money disappears](#), which explains how booms and busts were still possible under the seemingly stable gold standard. So **fractional reserve banking**—the practice of pumping the money supply, loaning out more money than is on deposit, then pulling it back in **is responsible for economic booms and busts—NOT GOLD!**

Sound money. The British pound was considered “sound” because it was specifically defined: it effectively communicated wealth over time. And the dollar was sound from 1900 to 1933 when it was defined as 23.22 grams of fine gold. Both currencies were simply names for given weights of gold. In contrast, today’s dollar isn’t sound money because it isn’t defined in any unchanging way. A “dollar” isn’t a weight of gold, silver or anything else. **It’s simply a bookkeeping entry, an IOU of the private bank (the Fed) that is permitted by the US government to create dollars. So today’s dollar is not money—it’s credit.**

Fiat currencies. When the US abandoned gold backing for the dollar (\$1 of gold in Ft Knox backing every \$4 of currency in circulation) in 1971, the dollar joined the rest of the world’s currencies as a “fiat” currency. Fiat money is currency **backed only by a government’s threat of violence** against anyone who refuses to accept the paper or digital currency in trade or in settlement of debts (even though the paper is not backed by anything tangible).

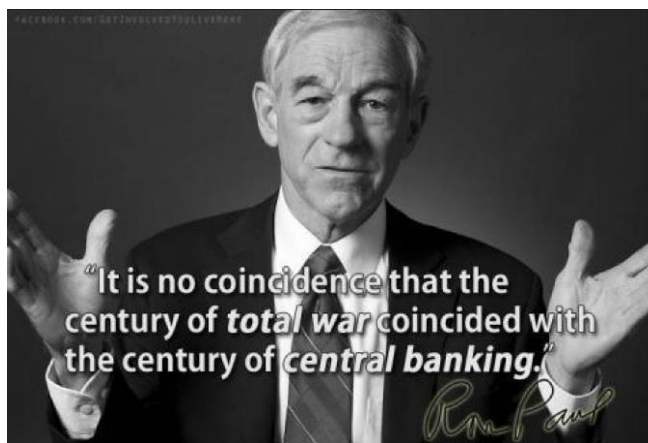


Source: Federal Reserve St. Louis, Incrementum AG

All world currencies today are fiat and unsound. When there is no requirement to back currency issued with deposits of tangible money, central bankers are free to issue unlimited amounts of fiat paper. America’s paper money “experiment” has now lasted 45 years.

Federal Reserve banking. As noted earlier, the US Congress in 1913 handed a group of international bankers the power to control America’s credit and issue its currency. This action violated the US Constitution but has never been challenged in a court of law. Using fractional reserve banking and taking advantage of the unsound nature of our money, the Federal Reserve (which is neither federal nor a reserve) has destroyed 97% of the purchasing power of the dollar (actually “Federal Reserve Note”). What you could buy for 3 cents in 1913 costs a dollar today. The Fed’s reign has also produced 100-years of international conflict and war.

The “Fed” is supposed to maintain price stability and full employment by controlling reserve requirements and overnight lending rates to its member banks. One extreme irony is that although central bankers constantly warn us about the “terrible danger of inflation,” they in fact **create inflation** through their origination of new fiat currency. Money creation, whether under the cover of stimulus or quantitative easing, is pure theft carried out by sapping the purchasing power of money. It is **counterfeiting**, and a guaranteed consequence of recent “quantitative easing” will be eventual price inflation.



Bank credit: positive or negative? Like the oriental concept of yin and yang, credit has two faces. On the plus side, credit makes the global economy go. We wouldn't have gotten very far over the past several centuries if barter had been the accepted form of commerce. Even cash, serving as a medium of exchange and store of value could not have provided 3-4% real GDP growth in this gargantuan economy unless borrowers and savers were willing to exchange future promises, i.e. to utilize credit. So our modern financial system, levered and fragile as it is, has been a beneficial and productive component of prosperity.

The other face of credit is that it is a deception, providing a seemingly-easy means for getting the things you want (remember Pinocchio?). The popular movie "It's a Beautiful Life" portrays credit arranged by respectable money lenders (bankers) as a desirable avenue for expanding the life style of the entire community. But now consider the **effect on the people** who trust a system that encourages them to take on more and more debt. They can become debt-slaves, vulnerable to the objectives of the money lenders. When economic collapse arrives, debtors will be at the mercy of the Controllers.

Force applied against debtors in our communities is likely to escalate. Consider this case of the raid on a home prompted by delinquent [student loan debt](#)!

The 2008 financial crisis was met in the US with government bailouts, rushed through Congress in an alleged attempt to rescue the economy. Its efforts were successful in averting the potential destruction of the existing global financial system, principally "too-big-to-fail" banks in the US and Europe. In retrospect, it is becoming obvious to more and more people that the most responsible action would have been to let unsound entities fail so that sound banks and businesses could take their place and flourish.

For those of you who haven't seen it, I strongly recommend "The Big Short," a movie that depicts actions of several hedge fund managers who anticipated the 2009 collapse. Michael Burry, who was portrayed by Christian Bale in the movie, [is now warning](#) that another, larger crisis is looming and **"the little guy will pay for it—the small investor, the borrower."** Michael recommends being "more suspicious of society's sanctioned suits offering free money."

Since 2008 the administration and our representatives in D.C. have been "kicking the can down the road," side-stepping one scare after another while applying discredited [Keynesian economic](#) remedies and attempting to keep the populace convinced through mainstream media that it has the economy under control. In our view, considering the ongoing budgetary madness on Capitol Hill, government is taking exactly the wrong steps—which makes perfect sense if in fact it is **deliberately working to weaken America**, as we allude to in Chapter 2.

The Fed reacted to the 2008 financial hurricane by lowering interest rates to nearly zero and initiating ["quantitative easing"](#) programs referred to as "Q/E," which is Fed-speak for money-printing. In effect, money-printing constitutes an effort to solve problems originating from excessive debt .. **by creating**

more debt! Not unlike trying to cure a drug addict by giving him another fix. The principal portion of the \$5 trillion in new money the Fed has created over the past five years has gone to improve the balance sheets of large member banks in the global financial system.



Q/E was advertised to the general populace as a tool to help the economy. QE-1 and QE-2 were followed by QE-3 and QE-4, which eventually "tapered" (reduced gradually) from monthly purchases of \$85 billion of Treasury bills and mortgages from member banks—to zero in October of 2014. One additional result was that savers were deprived through the Fed's zero-based interest policies of the interest-paying vehicles (CD's and money market accounts) that had sustained their retirements. But these Fed programs had NOTHING to do with making the economy stronger.

[David Stockman called Q/E a financial fraud](#) and noted that "public comprehension of the immense fraud it embodied has not even started. In round terms, this official counterfeiting spree amounted to \$3.5 trillion—reflecting the difference between the Fed's approximate \$900 billion balance sheet when its 'extraordinary policies' incepted at the time of the Lehman crisis and its \$4.4 trillion of footings today."

What the Fed did was create digital currency out of nothing and use it to purchase \$3.5 trillion of Treasury bonds and GSE securities so that the government could continue overspending. "At the end of the day, the fraud of massive monetization makes the rich richer because it drastically inflates the value of financial



assets—roughly 80% of which are held by the top 5% of households; and it makes the state more bloated and profligate because it enables the politicians to spend without imposing the pain of taxation or the crowding out effects which result from honest borrowing out of society's saving pool."

Ex-Fed chairman Alan Greenspan admitted publicly that Q/E didn't really help America's main street at all. Sir Alan's advice: "[the unwind will be painful, buy gold.](#)"

It took the US 200 years to accumulate an \$8 trillion national debt. During Ben Bernanke's 8 years as Fed chairman, our debt doubled to \$17 trillion. That's **Ben's real legacy** to America.

Consequences? When the Fed cut back (tapered) its bond purchases, market observers expected interest rates to rise at bond auctions, but that didn't happen. The reason? Tiny Belgium, with a GDP of only \$480 billion emerged as a major buyer, apparently picking up hundreds of billions of dollars worth of unsold Treasuries. Immediately obvious was the fact that [Belgium was being used](#) as a proxy, probably by the BIS and IMF, to purchase US debt that the market didn't want to keep the lid on the US economy. Purchases were facilitated through Euroclear, which had financial relationships with more than 90% of the world's central banks—and which was once owned and operated by JP Morgan.

That's not all. In April, 2015 The Fed posted a \$28.5 billion increase to its balance sheet, with most of the increase coming from the purchase of mortgage-backed securities. So Q/E didn't stop; the Fed simply stopped talking about it.

WHY IT'S SO HARD BEING A FED DECISION MAKER

THE OFFICIAL FEDERAL RESERVE INTEREST RATE POLICY ALGORITHM

YEAR:	2009	2014
GDP	-8%	+4%
UNEMPLOYMENT	10%	5.8%
DOW JONES	7,000	17,000
RATE:	ZERO	ZERO*

(* WITH A SLIGHT CHANCE OF INCREASE NEXT YEAR, BUT PROBABLY NOT)

The Fed balance sheet. In the one-hundred-year history of the Federal Reserve, there has never been anything even close to the kind of egregious expansion of its balance sheet as that which we've seen in the past six years. The Fed is currently operating with 78-to-1 [financial leverage](#) off of its \$57 billion capital base; compare this with 30:1 leverage that existed at Bear Stearns and Lehman Brothers before they collapsed in 2008. If the value of the Fed's assets drops by just 1.3% (which is likely sometime over the next four years) it will be bankrupt. How would the world react to news that the central bank of the United States is bankrupt?

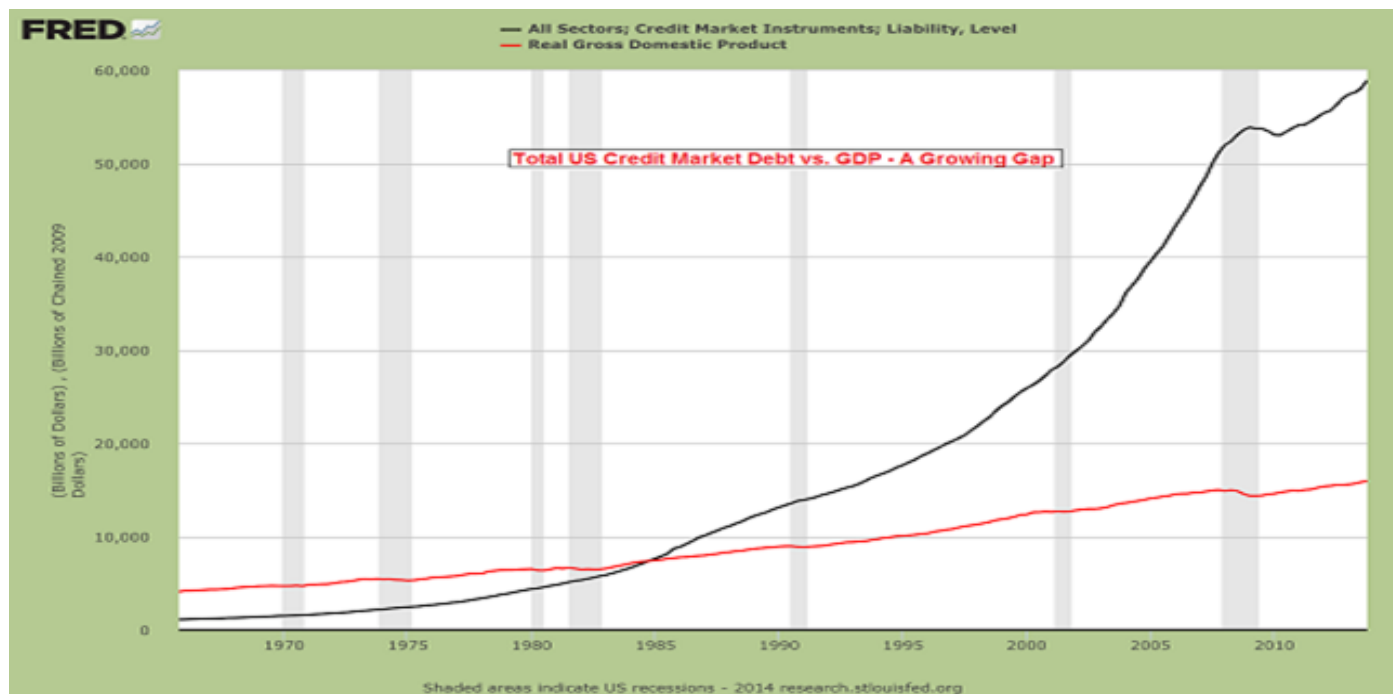
Since there is no institution that can buy the bad debt of central banks to effectively bail them out, Western sovereign nations and their central banks appear trapped and the US has only two practical long-term options: a controlled default (of the world's reserve currency), which at this point seems unthinkable, or continued digitally-created stimulus and bailouts, generating high inflation—which will either “inflate the debt away,” or result in an “unplanned” default.

How is the current situation dangerous? As the US continues to spend more than it receives, it is caught in a vise—needing to borrow more and more money just to sustain itself. This is happening at a time—the first in history—when ALL the world's major central banks are creating currency. Bank of International Settlements (BIS) spokesman Jaime Caruana has commented publicly about the vulnerability of global economies, due to debt ratios. Charles Hugh Smith agrees with Caruana, [stating very clearly](#) “why the status quo is unsustainable... We have to create a ton of debt to get a pound of growth. There is no other way to interpret this [following] chart.”

Smith notes that low interest rates have allowed households to borrow more money while paying the same amount of interest. This effect goes beyond households: low interest rates have resulted in a literal

explosion in debt in every segment of the economy: household, finance, government and business. [And appears to fit neatly with a globalist strategy of driving individuals, businesses and communities **as deeply in debt as possible**.] As a result, one of two outcomes is likely:

1. If central banks accelerate printing, their respective currencies will lose purchasing power at an accelerating rate, inducing high inflation or even hyper-inflation. Sophisticated buyers ("vigilantes") in the huge international bond market will push rates higher as the US image weakens.



2. If central banks pull back on their printing, we'll have crashing markets and a worldwide depression. [**This appears to be exactly what Controllers are attempting—driving the economy into a crisis that can be used to introduce their New World Order.**]

How the paper money experiment will end. Writing for the Ludwig von Mises Institute, Philipp Bagus outlines logical [alternatives](#) available to decision makers in charge of our paper money system:

- (1) inflate the currency on into hyperinflation;
- (2) default on entitlements (pensions, social security);
- (3) default outright on government debt;
- (4) repress individual financial freedom;
- (5) increase taxes to pay off debt;
- (6) introduce a replacement currency; and
- (7) bail-in savings.

Bagus believes we will see two or more of the above options put in play. "In any case they will reveal the losses incurred and end the wealth illusion." **Taxpayers, savers and currency users will be exploited to put the currency on a more stable basis.**

The Federal Reserve hiked its federal funds rate on December 16, after months of dithering, in the first of what was announced as a series of increases. By utilizing a number of [technical tools](#) to withdraw cash from the US banking system, the Fed planned to raise the overnight interest rate it pays on deposits from member banks ("Fed Funds Rate") from a 0 to .25% range to a range of .25-.50%. But, dang! The

Fed's action only worked for two weeks, and the [rate fell back](#) to .12% at yearend. Does that say something meaningful about the Fed's ability to control the economy? The Fed then passed on a January 27 opportunity to announce another increase, having advertised a plan for [four increases](#) in 2016, projecting its 2016 year-end rate to somewhere near 1.375%. March 15-16 is the next FOMC policy meeting, at which time a second hike might be announced.

The Fed's move to higher rates is a major development, and it was telegraphed 3 years ago by Lindsey Williams as a marker—indicating that the final takedown of the United States was underway. Public warnings against a hike had been voiced by both [the IMF](#) and BIS. Ray Dalio, manager of the world's largest hedge fund, said that the August drop of Bridgewater's All-Weather risk-parity fund portended [major problems](#) for the economy within six months—hence a need for increased weakness, rather than the strength implied through a rate increase. Thorsten Polleit [suggested here](#) that the Fed needed only to PRETEND it would raise rates, while realizing that to actually do so at this juncture **would be disastrous**.

And sure enough, volatility in 2016 is on the rise. Half Past Human forecasted [in "Crash Map" for 2016-2032] "first 'wobbles' in March and April—directly resulting from the complete and total cratering of the energy market"—then a swift movement into a "'crash' of fiat currencies [led by the dollar] and the emergence of hyperinflation in July," precipitating the largest ever private bond defaults... The speed of financial collapse will shock the global population." HPH also called for a crash of the education system, as the public refuses to take on more debt.

Financial heavyweight [James Grant commented](#) on the Fed's decision to bypass a rate increase in September: "Seven years after the fall of Lehman and the biggest and supposedly most dynamic, most resilient economy in the world is still not strong enough to absorb that. So no wonder the markets are worried." In his interview, he provided a stream of wisdom on the current economic state and confided that he is looking at beat-up emerging markets, gold, and gold mining stocks.



James Howard [Kunstler added](#): "Welcome to the successor to the global economy—the yard sale economy, with all the previously-bought stuff going back into circulation on its way to the dump. The Fed might succeed in blowing up a banking system that deserves all the carnage that comes its way."

Martin Armstrong wrote in September that "If the Fed raises interest rates as anticipated this year for the first time since 2006, higher borrowing costs for companies and governments, along with a stronger greenback, will create the **greatest economic collapse in modern times**." Armstrong also offered a supportive explanation for an increase. "The Fed is trapped and has lost all ability to return to Keynesian economics unless it raises interest rates to normal levels. We have a massive debt crisis coming from state, municipalities and pension funds. They all need 'normal' rates to survive." He added that increasing rates will result in intensified capital flows into the US.

Perhaps so, but we have a different view of the increase. The Fed reports to the Bank of International Settlements (the central bankers central bank), so the BIS actually made the call. Its motivation, as highlighted throughout this book, is to set up the US economy for incorporation into a global super-state, aka the "New World Order."

Although the Federal Reserve has been widely portrayed as incompetent, it is in my opinion anything but. Brandon Smith [shares my view here](#) that the Fed is executing a well thought-out plan and although conditions may be affecting their schedule, Controllers continue to methodically exploit "puppet politicians"

to achieve “complete centralization of government and economic power that is then ACCEPTED by the people as preferable.” Regarding the Fed’s delay, Smith drew a parallel to the tapering caper, which was advertised in the spring of 2013 but not effected until later that year.

And so, as we bid goodbye to 6 years of zero rates, what exactly was accomplished? Answer: the destruction of the American middle class, particularly the elderly who used to be able to rely on investment interest to live!

As noted in Chapter 1, based on tracking statistics published by a number of reliable non-government sources, we have maintained for five years a position that **there is NO RECOVERY—and there never was one**. The government obviously knows it. Expanding that view, it appears that **the US is indeed one of a group of developed nations that are heading for a blow-up** that will end the charade—with probable disastrous consequences for many—and (on the bright side) the opportunity for some sort of a new beginning.

Dumping the dollar. The value of the US dollar, like all modern fiat currencies, is based on little more than the confidence end users have in it. The foundation of that confidence is a belief that the currency will retain its value over the time during which it is held. Confidence can, however, change with circumstances and the dollar is becoming increasingly fragile—contrary to the strong-dollar assumption the has existed during our lifetimes.

In meeting each fiscal crisis by “kicking the can” down the road with a fresh wave of currency creation, our national leaders have dug a deep hole from which the dollar cannot escape. Key foreign trading partners that bought bonds in recent years have lost confidence in the dollar and are **deserting** it. China has been using dollars to purchase resource companies to obtain the raw materials it will need for future growth, and should now be expected to accelerate “dumping” of the \$1.2 trillion in dollars they hold when they are allowed to purchase IMF SDRs (see below).



China previously established bi-lateral use of currencies for trade with Russia, Brazil, India, Iran, Japan, Argentina, Malaysia, Singapore, South Korea and even with Europe. It took another step in the direction of free convertibility, announcing that [yuan and the Swiss franc](#) will begin trading directly, bypassing the dollar—and with the franc becoming the seventh currency to be directly convertible into yuan (also known as renmimbi). And China is planning to price [crude oil futures](#) in renmimbi, a blow to the US petro-dollar. Serial-defaulter [Argentina](#) just stepped up its “de-dollarizing” agenda by agreeing to a multi-billion dollar currency swap operation with China—allowing payment for Chinese imports with renmimbi.

At least [40 central banks](#) have added the renmimbi to their reserves. China expects its renmimbi to be included in an SDR replacement, and in preparation has increased its gold reserves to an estimated

(unofficial) 6,000 tons, second in the world only to the United States. Countries as diverse as Russia and India have also called for new alternatives to the dollar. Dollars as a percentage of foreign reserves have declined from 55% in 1999 to 32% today and are expected to reach 18% by 2019. And Zimbabwe agreed to use the yuan as its [national currency](#) (in consideration of Chinese forgiveness of \$40 million of debt).

The number of [US firms](#) willing to trade in Chinese yuan tripled in 2015, even as the Chinese currency usage in global trade and finance has more than doubled. Russian state-controlled oil producer Gazprom Neft said [90% of its clients have "de-dollarized"](#)—and will transact in the euro and renmimbi, instead of the dollar. Russia also ["pivoted East,"](#) agreeing to provide \$400-billion of Siberian natural gas to China over a 30-year period, allowing both countries to extend their independence from Western nations.

China is leading the newly-created Regional Economics Comprehensive Partnership, a group in which nations comprising the majority of the world's population and economic growth will not be using the US dollar. Going even further, BRICS (Brazil, Russia, India, China, South Africa) countries are in the process of setting up structures that will directly challenge the western-dominated International Monetary Fund and World Bank [see AIIB, following].

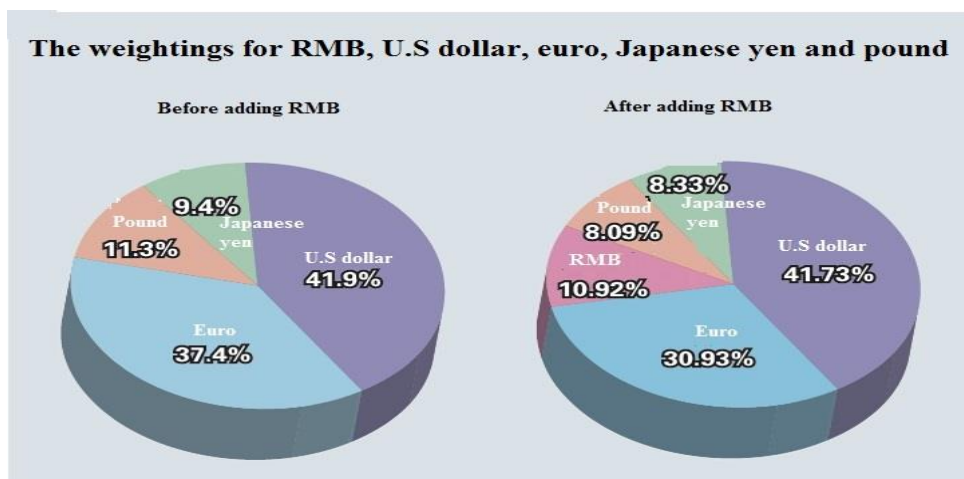
The US government has been doing everything it can to torpedo the Russian economy and Vladimir Putin's standing within it. D.C. was specifically trying to [kick Russia out of the SWIFT system](#) for clearing international currency transactions (as it did to Iran). Not only did SWIFT NOT kick Russia out, they gave it one of its 25-board seats. Perhaps their incentive to keep Russia on-board was because China is busy putting together its own version, called [CIPS](#) (China International Payment System)—a unified payment system in direct competition with SWIFT. And [Russia has launched](#) its own alternative, already linking to 91 credit institutions.

Iran's central bank finally [pulled the plug on US dollar transactions](#) and adopted the Chinese renmimbi as the primary currency to handle mutual settlements. And it signed a military cooperation agreement with Russia that implies wider collaboration in personnel training and counter-terrorism activities.

The Shanghai Cooperation Organisation has been established with a primary objective of doing away with the US dollar for trade settlement. This powerful movement will accelerate the replacement of the buck as the world's reserve currency—which in turn is expected to result in an eventual loss in the dollar's global purchasing power of between 30 and 50 percent. Current members China, Russia and India were joined in late 2014 by Turkey—a long-standing NATO member. Alasdair Macleod called the SCO the ["greatest challenge yet mounted](#) to American economic power."

Restructuring the SDR. Here's a short video describing the current concept and makeup behind the [International Monetary Fund Special Drawing Right](#) which appears to be the framework upon which Controllers plan to hang their one-world currency. In September 2015 the IMF announced that the Chinese currency met its technical criteria, including being "freely usable."

Then in December the IMF formally approved [Chinese renmimbi inclusion](#) in its Special Drawing Rights currency basket, effective October 1, 2016: the renmimbi will have the third-largest weighting at 11%, with the US dollar remaining at 42%, while the euro, pound and yen are reduced to 31%, 8% and 8%, respectively.



An 11% share is expected to result in nearly one trillion dollars moving into the renminbi over time as central banks add the currency to their reserves, followed by the new SDR being introduced as a world reserve currency replacement for the dollar. This currency shift will likely transpire during the second and third quarters of 2016, but official replacement of the dollar will take longer, in Jim Rickards view. The timing coincides with expectations outlined elsewhere in this book. When the USD loses its position as global reserve currency, the purchasing power of the buck will most likely decline sharply.

Williams' elite contact recently informed him that backlash from several countries concerned about the impact on their economies from a delayed timetable raises the possibility that the world may transition directly into a new world currency that also includes physical gold. The transition might be expedited if global markets collapse, and it could encompass setting currency rates based upon asset-to-debt ratios of the individual countries.

Armstrong wrote earlier that the [new currency](#) "will be electronic [replacing the dollar and] acting as the reserve between currencies." It will be digital—no coins—allowing the Controllers to close the gap on unreported transactions. With the current monetary system due for collapse, Armstrong endorsed taking money out of your house with a 15- or 30-year mortgage at current low rates—hedging the possibility that local authorities will henceforth ratchet up taxes to unaffordable levels to keep their offices and jobs intact.

China assumed chairmanship of the Group of 20 on January 1, 2016, and is already working on a dollar replacement. It has set up a working group led by South Korea and France to develop proposals, including whether some [commodities](#) should be included in the IMF Special Drawing Rights currency basket. The US is not participating in this project.

Jim Sinclair has written about the currency of the future as the product of an adjustment he refers to as a "great reset." The monetary world he envisions would feature a virtual reserve currency traded only by central banks [the SDR], tied by voluntary agreement to the value of gold held by central banks. He anticipates a 2 to 5 year "discovery" period after the termination of the fiat paper system to establish the value of gold. Bottom line: the US dollar as world reserve currency is finished—it's just a matter of time.

Recommendation: diversify a portion of your dollar-based portfolio into Asian currencies.



Introducing the AIIB. The [Asian Infrastructure Investment Bank](#), led by China and widely seen as a challenge to the existing western-dominated World Bank and Asian Development Banks and a slap-in-the-face to US efforts, accepted [57 founding members](#) for a launch in September. The United States and Japan abstained from joining, but South Korea, Australia, New Zealand, Canada, Britain, France and Germany all signed up. The AIIB is raising \$100 billion to actually respond to a massive need for

infrastructure financing—particularly in Asia (where trillions, not billions are needed). Thrive’s Foster Gamble thinks that the Dragon family elders (see page 109) will begin disbursing money through this fund in 2016.

The AIIB is envisioned as a “21st Century [Maritime Silk Road](#) to promote maritime cooperation” (Xi Jinping), establishing better ties between China and the Gulf, for free trade and to secure China’s oil supplies. Although the AIIB marks one more slap in the face for the US and its dollar, it should not be considered a move away from the global banking power structure. IMF chief Christine Lagarde said the IMF will be “delighted” to cooperate with AIIB and World Bank managing director Mulyani Indrawati expressed a willingness to cooperate with AIIB. Investigative journalist James Corbett provides [additional colorful details](#).

Ex-Treasury Secretary and neocon [Larry Summers wrote](#) that US “failure to persuade dozens of its traditional allies, starting with Britain, to stay out of AIIB ... may be remembered as the **moment the United States lost its role** as the underwriter of the global economic system.”

China and Russia are also launching a “**bank**” **alternative to the IMF**, one that avoids reliance on the SDR and the USD. Russian Prime Minister Dmitry Medvedev stated that the bank should conduct transactions in national currencies, bypassing cross-rates with the US dollar. He added that “our collaboration with China is of strategic importance” and that western sanctions are “senseless and ugly, but we’ll manage without it.” Russia’s finance minister Siluanov said that Russia is considering diversifying its debt portfolio away from countries that have imposed sanctions on Moscow.”

Interest rate insanity. Nations with stronger economies have taken **interest rates negative** to deter “hot” money from investing in their currencies (which drives rates up and exports down). Switzerland was the first to do it, then Germany and Sweden and now [joined by Denmark](#), which followed its reduction with a threat of capital controls—the result of which was the krone’s biggest drop against the euro since 2001.



Sources: Bloomberg, L.P.; and IMF staff calculations.

Danish central bank cuts in 2015 were to -0.2%, then -0.35%, then -0.5%, done in the hope of preserving its peg to the euro. German bond yields have gone negative out to 7 years, while Swiss bond yields as far out as 14 years now carry negative yield. The Swiss government became the first issuer ever of [ten-year bonds with a negative interest rate](#). **Investors actually are paying interest to have their money tied up in government bonds for ten years!**

[\\$1.7 trillion of Euro debt](#) is now “sub-zero,” and more than \$4 trillion of sovereign debt worldwide is now trading at negative yields. The Bank of **Canada** announced it would be willing to cut its benchmark interest rate to [below zero percent](#) if the country is faced with a major economic shock. Going beyond “return-free risk,” **we now have to pay for the risk to lend money to insolvent governments.**

Ostensibly triggered by peer pressure at Davos, **Japan’s** central bank became the latest to consider pushing its interest rate negative. This insightful [Zero Hedge article](#) attributes the decision to a “desire to

prop up stock markets and punish Yen longs,” likely to also result in a rush of new bank loans and a “one-time spike in risk assets.” But it would also open the door to a number of negative consequences.

Perhaps this trend is just a part of the war on cash ... but on the other hand, when combined with [“distortions” in US money markets](#), it is likely indicating that [“something” major is wrong](#). Interestingly, negative yields on sovereign currencies make gold look better; gold becomes a high-yielder, because it yields zero.

Money and banking around the globe.

In a major development, **one trillion dollars** worth of government bonds held as reserves by central banks have “magically” been turned into cash. Data released by Bloomberg shows that over the period from August 1, 2014 to January 8, 2016, Total International Reserves held by central banks, excluding gold, dropped by precisely \$1 trillion, to \$11.032 trillion. Revealed by billionaire Hugo Salinas Price, implications include “clear indication of a world-wide economic slump,” and potential “world liquidation” now underway. There are many interesting comments to [this article](#).

[Deutsche Bank](#), **Germany’s** largest, and also the largest player in global derivative markets, reported a staggering 6.2 billion euro 3Q loss, elimination of its dividend, 35,000 job cuts and a plan to exit 10 countries. Deutsche is VERY closely-tied to other major global banks, including the US big 5. Matt Turner wrote that with credit markets showing signs of contagion, we may be looking at a [“wave of companies](#) failing to pay interest on their bonds.”

The Bank of England is forcing **Britain’s** largest banks to [separate retail banking](#) operations from investment banking and overseas operations. This “ring fencing” operation will also require additional reserves for retail banking—the principal objective being making them capable of withstanding a downturn. British banking operations would then be in the same condition as US banks were before the 1933 Glass-Steagall Act was repealed on Bill Clinton’s watch.

Barcelona, Spain plans to issue [its own electronic currency](#), reflecting the desire for Catalanian independence. Value of its new currency will be pegged to the euro.

With both Europe and Japan having recently lapsed back into deflation despite trillions in central bank asset purchases, **European Central Bank** strongman Mario Draghi admitted global Q/E has failed, adding that “the [slowdown is probably not temporary](#).”

Behold: the committee to destroy the world



Greece was forced to liquidate major assets, selling (for example) the right to operate and maintain 14 of its [regional airports](#) for the next 40 years to a private German company for \$1.34 billion. Average Greek citizens, who now live with government-imposed capital controls have reverted to barter for basic needs and essentials. In addition to swapping goods and services, they have opted for an estimated 80

grassroots [alternative currencies](#). TEM is a sophisticated form of barter whose name is the Greek acronym for Local Alternative Unit and it is being accepted by an increasing number of businesses and individuals.

The [Economic Collapse blog](#) listed 24 countries as currently facing a full-blown debt crisis (with 14 more headed in that direction): Armenia, Belize, Costa Rica, Croatia, Cyprus, Dominican Republic, El Salvador, Gambia, Greece, Grenada, Ireland, Jamaica, Lebanon, Macedonia, Marshall Islands, Montenegro, Portugal, Spain, Sri Lanka, St Vincent, Tunisia, Ukraine, Sudan and Zimbabwe. IceCap Asset Management described [breakdowns](#) underway in **Australia, Brazil, Canada and Sweden**.

Fitch downgraded sovereign debt of **Brazil** to BBB-: "Brazil's [economic recession](#) is likely to be deeper and longer than Fitch's earlier expectations and its performance has diverged materially from those of its rating peers." Brazil's annual deficit is approaching 10% of GDP, and something is going to have to give.

In November, the central Bank of **Italy** [bailed out four banks](#) by pulling money from healthier banks in its system. But its plan to create a "bad bank" to hold non-performing loans was stalled by the European Central Bank. The deal that was finally reached resulted in stocks of the four banks falling [limit down](#).

Puerto Rico is running out of options. After the government ran out of money and [failed to make a \\$58 million debt payment](#), a group of hedge funds holding a large portion of the debt demanded that the PR government fire teachers, increase tax collections and reform labor laws. But PR isn't covered by "Chapter Nine" bankruptcy code in the US and therefore cannot proceed with a debt restructuring; and since it's not a sovereign nation, it's not eligible for an IMF loan. So it hiked the tax on imported goods from 2% to 6.5%, resulting in a [lawsuit from Wal-Mart](#). Angry [bond insurers](#) are also suing. So the island nation is ducking and dodging—and [now proposing](#) to delay its debt payments to free up cash.

The bright side of banking remains in **Iceland**, which not only jailed its bankers (26 of them are serving a total of 74 years), but it appears that [citizens will share in the spoils](#) of the liquidation of the third national bank (Islandsbanki). Icelanders may receive 30,000 kroner each after the government takes ownership over the bank. [Iceland remains the ONLY European nation to recover fully from the 2008 crisis, having paid its outstanding debt to the IMF in full. But you will NOT read this story in MSM.]

DERIVATIVES are a likely flashpoint for the implosion of the global financial system.



In 1999 Congress caved in to big banking interests and repealed the Glass-Steagall Act, which had kept banks in check since the Great Depression. Banks were suddenly free to become gambling casinos and

began working with Wall Street to create trillions of dollars of unregulated, unregistered and oftentimes uninsured financial bets, loosely termed “derivatives.”

Derivative manufacturers and distributors then began selling fraudulent paper, ultimately to almost every entity of the Western world’s financial system. Warren Buffet famously referred to derivatives as “financial weapons of mass destruction,” due to their ability to seemingly spring out of nowhere and devastate an asset class. The first significant derivative hiccup occurred in 2007, when collateralized mortgage obligations (CMOs) began to fail, causing worldwide panic.

Derivatives are contracts whose value is derived from the specific performance of something in the real economy. Used for hedging and leveraging other bets, they are often very complex. Derivatives are a part of our modern “shadow banking system,” which craftily dodges the reserve requirements of traditional institutions and utilizes a chain letter, pyramid scheme of leverage, based in many cases on no reserve cushion whatsoever. The majority of existing derivatives are based upon interest rates.

Even if Congress decided to regulate the stunningly massive derivatives market, regulators wouldn’t be able to assess the risks of derivatives because they don’t understand them. Congress doesn’t understand them either. That’s by design. The whole market is set up to be incomprehensible to anyone other than those who arranged it, rendering it effectively beyond regulation.

Mortgage-backed securities (MBS) became worthless because of higher-than-expected defaults on home mortgages, the underlying assets. Large amounts of credit pumped into the economy by the Federal Reserve created an enormous bubble in the housing market. When the Fed began raising rates, the interest bubble became impossible to deflate without a serious crash. The aftermath of the 2008 crash included disclosures that in some cases Wall Street firms had colluded with rating agencies to misrepresent the degree of risk contained in these derivatives. A flood of lawsuits followed, **but no one went to jail.**

Credit default swaps (CDS) are bets placed on the odds that a particular nation (or corporation) will default on its debt: this variant receives help from MSM and credit-rating agencies who amplify weakness, ensuring that money swings against the target, to its ultimate demise. In order to manage the potential risk of losing money on the bet, a CDS buyer will often purchase insurance against loss. But what happens if the target goes bankrupt under economic conditions that also cause the insurance company to fail?



Counterparties. Therefore, the principal concern with derivatives is “counterparty risk.” Every bet contained in a derivative has at least two parties. Some of the bets are huge. What happens if the party who loses the bet is unable or unwilling to pay the winner? If the losing party has purchased insurance protecting themselves against loss, what happens if the insurance company is unable to cover the bet? Remember AIG in 2008—an insurance company that had to be bailed out so that winning banks could be paid?! **Failure to pay off on losing derivative bets is the single biggest reason that global economies are heading for depression!**

For further inquiry, this [illuminating article](#) provides a very clear explanation of the derivatives market (“history’s largest book-making operation”) and how it works (as a “crooked casino,” where the crooks are also the cops”).

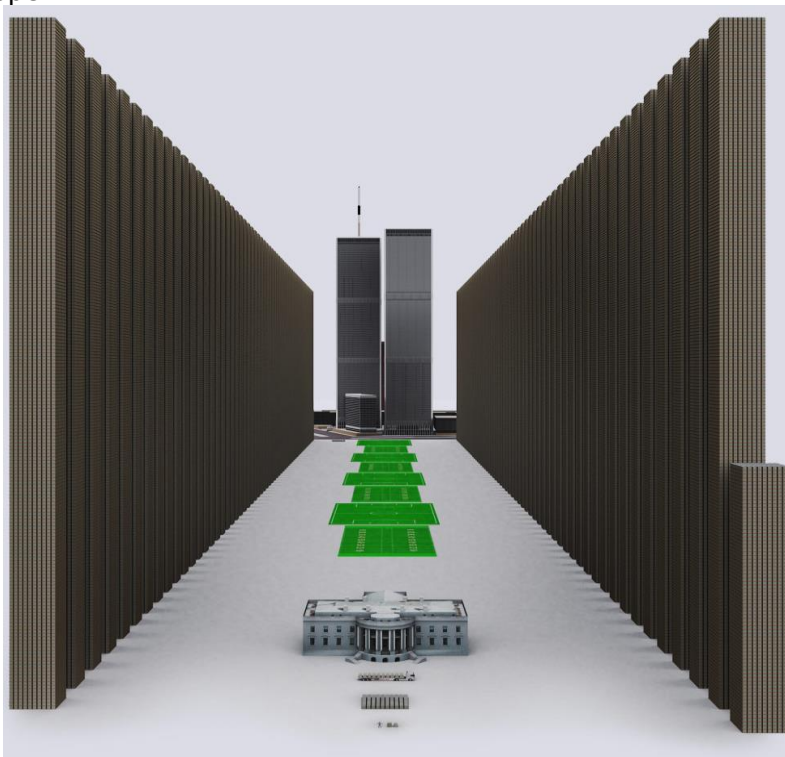
Major US banks were huge derivative holders when Lehman Brothers was forced into bankruptcy in 2008. At that time, the size of the OTC (over-the-counter) derivative market was estimated at over five hundred trillion dollars. Despite Congressional vows to pass legislation limiting future damage, total derivatives are now estimated at over **one quadrillion trillion dollars**. An alarmed Bank of International Settlements subsequently “revalued” the global total to a “more acceptable” figure of 700 trillion dollars (\$700,000,000,000,000), still ten times total global GDP.

Four US banks, employing between them over 1 million people, hold \$236 trillion of these instruments – about 150 times their aggregate balance sheet equity. Here is their approximate mid-2014 derivative exposure:

- JP Morgan Chase - \$68 trillion, against an asset base of \$2.5 trillion
- Citibank - \$60 trillion, against \$1.9 trillion in assets
- Bank of America - \$54 trillion, with \$2.1 trillion in assets
- Goldman Sachs - \$54 trillion, and \$0.9 trillion in assets

Adding Wells Fargo to the above results in a group that accounts for 42% of all loans in the United States. Since 2008, the six largest US banks have gotten 37% larger. According to the Los Angeles Times, assets of Wells Fargo have more than doubled, from \$609 billion to \$1.4 trillion, and JPMorgan Chase assets have ballooned from \$1.8 trillion to \$2.5 trillion, making JPM assets roughly the size of the entire British economy! Morgan Stanley also joined the group of banks with more than \$40T of derivatives at \$44 trillion. But Germany’s Deutsche bank is the grand-daddy, holding \$75 trillion in derivatives.

Fourteen hundred smaller banks have been swallowed up by these behemoths. Even though all they do is move fiat money around, these banks have become the core of our economic system. We should never have allowed this to happen!



The above visual from www.visualcapitalist.com will give you an idea of the magnitude of derivatives held by the 4 largest US banks: \$236 trillion in total. The grey stacks are pallets of crisp \$100 bills and the green rectangles are alternating football fields and soccer pitches. As another illustration, imagine a single stack of crisp new one-hundred dollar bills **185,000 miles high**—80% of the distance to the Moon.

A potential cascade of derivative failures has been widely predicted and poses a huge risk to the US economy and to global economic and financial structures. Because these contracts are sold and resold among financial institutions, an original buyer may not know when a new, potentially weaker entity takes

over the obligation to pay a claim. In June of 2012, one of the derivative trades of JP Morgan (a presumably well-managed company) went out of control, resulting in a \$9 billion loss.

The Financial Times wrote that the same kinds of [complex, confusing derivatives](#) that almost brought down the global financial system in 2008 are “back in spades. We’ve reformed nothing.” The newspaper warned that strong growth in the use of complex derivatives may “exaggerate the impact of the next major market reversal.” If one of these big banks fails, **who will backstop their loss?** You will! See chapter 5 for details..



Helping the banks and Wall Street. In the first and second round of Q/E the Federal Reserve purchased OTC (over-the-counter) derivatives and Securitized Mortgage debt at the issue price to remove them from the balance sheets of the Western world financial system (thereby impairing its own balance sheet).

New regulations were passed. The Dodd-Frank bill, which was to bring Wall Street under control, was quickly diluted by a series of Congressional [exemptions](#). One predictable outcome of Dodd-Frank legislation was that lending from the regulated commercial banking system was driven into the [unregulated shadow banking system](#). And as an example of the softening of new regulations, in May of 2013 federal regulators disabled a new regulation intended to make the derivatives market more competitive. It waived the requirement that a bank needing to value a derivative asset on its books had to obtain and average five outside bids. Now it needs to pick only two, allowing greater valuation (and balance sheet) flexibility.

And the corruption continues. As part of the [\\$1.1 trillion budget bill for 2015](#), the Republican-controlled House cut funds for the EPA and IRS, but agreed to let the banks off of a major Dodd-Frank hook. The Senate agreed, and the “Cronybus” budget for 2015 allowed big banks to run derivatives from FDIC-backed entities, thereby explicitly **putting taxpayer-money behind \$303 trillion** in financial derivatives!

These derivative assets are carried on bank books at whatever value the banks estimate them. The prerogative to do this is courtesy of the Financial Accounting Standards Board (FASB), ex-gatekeepers of Western world accounting, which ruled that financial institutions can value their OTC derivative paper at whatever their computers say, without reference to the actual value that the market might place on them. As an indication of how misleading book values can be, bankruptcy proceedings following the collapse of Lehman Brothers located buyers for its derivative assets at between 5 and 12 cents on the dollar. Many of these specific performance contracts simply have NO market.

Banks are getting ready. From the Financial Times of London comes news that banks plan to [write off derivatives](#) when a counterparty fails. Effective January 1, 2015, 18 of the world’s biggest banks agreed to give up the right to pull the plug on derivatives contracts with a crisis-stricken institution. The deal, however, will not protect non-banking institutions such as BlackRock.

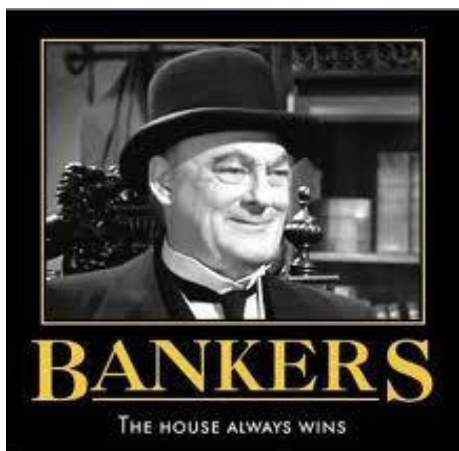
The independent UK Column wrote that “The new rules follow a ‘war game’ which took place on October 13, 2014 at the offices of the Federal Deposit Insurance Corporation in Arlington, Virginia. Present were the FDIC and Bank of England staff, along with ‘top financial brass’ from US and UK Treasuries. The war game was the first of its kind and designed to **test how they would react to another financial crash of the scale of 2008**. The new rules oblige banks to **wait up to 48 hours** before requiring settlement of

derivatives contracts from a failing bank. This delay will be used to give regulators time to transfer assets from the failing bank, as well as obligations to a 'bridge company,' negating the need to unwind derivatives contracts. Chancellor of the Exchequer George Osborne said 'We want to make sure we are able to handle an institution that previously would have been too big to fail ... We are confident in this framework, but we are testing it.'" **The banks see it coming.**

In September of 2015 the Financial Stability Board, created by the group of 20 nations in the aftermath of the 2008 crisis, published its plan for tackling banks seen as too big to fail. The most systemically important lenders will be required to have total loss-absorbing capacity equivalent to at least 16% of risk-weighted assets in 2019, rising to 18% in 2022. A 6% leverage ratio will also be imposed, rising to 6.75%. The shortfall banks face under the 18% measure ranges from \$457 billion to 1.1 trillion euros, depending on the instruments considered. If China's three largest banks are excluded, the shortfall drops by about 350 billion euros.

Bank leverage. Since excessive leverage by banks was one of the main causes of the Great Depression and the 2008 financial crisis, a group of economists is advancing the idea of [ending fractional reserve banking](#). The lower the percentage of deposits a bank loans out, the more stable the bank will be (apply that principle on a national scale).

Contrast that approach with reality. The Federal Reserve requires banks to hold in reserve only 10% of the deposits received from individuals and 0% for company deposits. Helicopter Ben Bernanke once proposed completely waiving reserve requirements for individual deposits. Federal regulators recently increased the [amount of capital that a bank must hold](#) against its overall assets from roughly 3% to 5%. This simple requirement will likely force large US banks to cut back some of their riskiest activities, including involvement in derivative investments such as credit-default swaps. BUT, the rule will not be effective until 2018, giving the banks considerable time to adapt and raise capital.



Nomi Prins, writing for Gerald Celente's Trends Journal, contrasted capitalism, in which trade and industry are controlled by private owners for profit, with today's system—"fueled by government debt and cheap money that buoys banks that otherwise would become insolvent." Thirty global banks from 15 economies, known as "G-SIBs," are considered too big to fail and therefore benefit from direct government assistance.

From Sept 2007 to Sept 2014, the six largest US banks (JP Morgan Chase, Bank of America, Citigroup, Goldman Sachs, Morgan Stanley and Wells Fargo) increased their assets by 41% and their cash by 390%. These banks commit crimes against humanity with impunity; individuals are never sent to jail. And they have now created a new monster: **Collateralized Loan Obligations or CLOs**—loans to corporations which have been leveraged and packaged, very similar to the collateralized debt obligations that drove the housing market into collapse. Prins wrote that "CLOs will blow up and inflame a worldwide credit crunch that will cause credit spreads to widen dramatically as liquidity shrivels up."

[Ann Barnhart](#) publicly and famously shut down her commodity brokerage firm when the 2011 MF Global Collapse made it evident that "the futures and options markets are no longer viable."

Trends forecaster [Gerald Celente](#), who also lost money at MF Global said that “You can’t trust anybody and the entire system is collapsing... **Try to make sure you have every penny in your pocket.**” A widely-held opinion currently expressed is that “There are no markets today; there are only manipulations.” The system is rigged and you cannot completely trust anyone or any institution. That caution applies in spades to derivatives.

Jim Sinclair wrote in 2008: ***“Derivatives are omnipotent—they have the power to bury the entire world financial system. They are omnipresent—it is reasonable to assume that at least 95% of financial entities across the globe are involved.”***



Could our depressing forecast be wrong? Of course it could; no one can know the future. We hope it’s wrong, or at least overstated. One development that could make it possible to pay our bills without a Greater Depression would be an economic boost due to technological advances. If a large enough boost materialized, it could conceivably pay for past excesses. Imagine if workforce productivity (using computers and robots to handle repetitive tasks) grew so much that society could indeed afford all the “free stuff” politicians have promised. Imagine a society so wealthy that free healthcare for all and unlimited assistance for those on the dole was an insignificant expense.

With but a fraction of the population engaged in wealth-producing economic activity, our imaginary world would imply billions of people spending their day pursuing poetry, self-enlightenment, and unabashed pleasure. If the global economy were ready for such a transformation, then unsustainable high levels of debt, unemployment, and social promises might be handled. BUT IF we were nearing such a world, we should be seeing the cost of living heading lower, accompanied by improvements in all sorts of statistics. That’s not happening. Instead, what we are seeing are **flashing red danger signals**.

Where do we stand now? Jim Rickards, best-selling author and former general counsel for LTCM, warns that [the international monetary system is about to collapse](#). At the center of the disaster he envisions—which will be worse than the financial crisis of 2008—is the end of the US dollar as the leading world reserve currency. Rickards sees “almost exact parallels” between now, the LTCM crisis in 1998 and the crisis of 2008. He thinks the crisis will happen in one or two years but in any event “we’re not going to make it six years before the next crisis.”

Canadian Rob Kirby talks to insiders for whom he buys gold by the ton. In a January 10, 2016 [Watchdog.com interview](#), Kirby asserted that an economic COLLAPSE is in process. He thinks gold’s price will be “many multiples” higher by the end of 2016. “We are very close to the end.” Developments will “change the way we live – dramatically. Events will quicken and intensify.” Significant changes are likely to be evident by the “end of first quarter. This will be the biggest financial calamity of all time.” His advice: “Source and locate physical precious metals, then accumulate and hide them.” Link them to a location where they cannot be confiscated.

Just as another fix does not help a drug addict, it seems only common sense that the cure for uncontrollable global debt is not more debt! Excess debt, after all, is like a hand-grenade after you’ve pulled the pin: you can pass it around the table, but it will eventually explode.

It doesn’t matter who has the debt; it is either a claim on wealth or on future earnings. Eventually, the debtor admits he cannot pay. The creditor admits that he has been a fool.

Chapter 5: YOUR SAVINGS ARE IN JEOPARDY

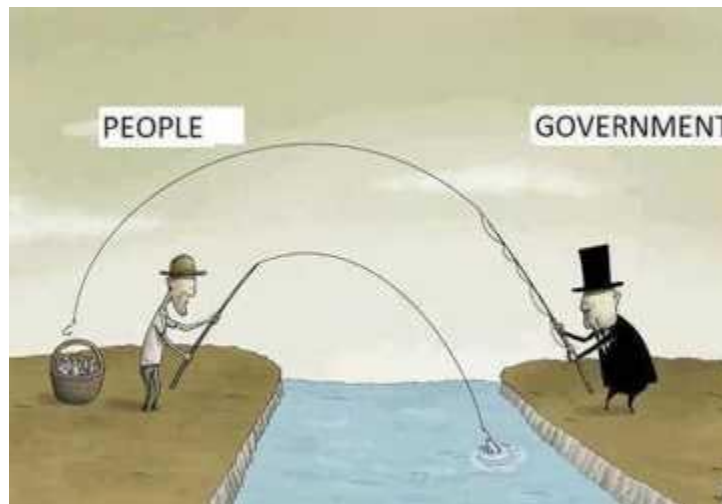
Cyprus was a game changer. Almost overnight, anyone who was paying attention learned (or relearned) that money deposited in a bank is not without risk and that funds, once deposited, are no longer the property of the depositor.

Bank bail-ins are coming. Uninsured depositors in Cyprus' two largest banks received haircuts in April 2013 of up to 80% of their account value. Not only were these "**bail-ins**" of customer deposits authorized, but it was revealed that Eurozone ministers had already adopted bailing-in as an acceptable strategy for failing European banks.

Revelations in the wake of the Cyprus incident showed that western world bankers had endorsed the bail-in model as the only feasible alternative going forward to taxpayer-funded **bailouts**. Controllers ARE NOT going to allow their major banks to fail, and they expect the public to pay the tab one way or another.

Americans need to realize that the instant they deposit money in a US bank, it becomes the property of the bank. This is nothing new; it has always been the case. When you deposit money in a bank you are agreeing to allow them to lend it out, meaning it's not yours anymore. After all, if you deposit a \$20 bill, you do not receive the same exact \$20 bill when you withdraw it.

Thus, as an **unsecured creditor** and de-facto investor in the bank, the depositor has, in the event of failure, a claim on bank assets that rank **behind all secured lenders, including derivative contracts** (which could actually be the reason for causing the bank to fail). Shocking?! Read on.



A joint paper by the US Federal Deposit Insurance Corporation (FDIC) and the Bank of England, dated December 10, 2012, revealed that "bail-in" plans were already in the works, originating with the G20 Financial Stability Board in Basel, Switzerland; the principal result of a bail-in would be **delivery of clear title to the banks of depositor funds!** This agreement would **supersede FDIC coverage**—in other words the bank could take your money without the FDIC being obligated to reimburse it—but it would need enabling legislation to become law in America.

On April 17, 2013, Fed Governor Jeremy Stein, at a [conference sponsored by the IMF](#), said: "First and most obviously, one goal is to get to the point where all market participants understand with certainty that if a large SIFI (Significantly Important Financial Institution) were to fail, the losses would fall on its shareholders and creditors..." There's that word "creditors" again—meaning us, the depositors.

The Bank of International Settlements (BIS) sets rules for central banks around the world. In June of 2013, BIS published what could be called "[the template](#)", outlining steps for handling the failure of a major bank and the conditions to be met before **bailing-in** deposits. Bank assets would be transferred to a holding company over a weekend, then "immediately recapitalized by writing off the claims of creditors."

The first creditors to lose their capital would be bondholders, followed by “deposits above the guarantee.” European Central Bank (ECB) policymaker Benoit Coeure confirmed in June 2013 that shareholders and investors, rather than taxpayers, will pay in the future for mistakes made by banks.

On June 11, 2013, Japan’s Financial Services Agency announced that it would enact [new rules](#) that will force failed bank losses upon the investors, if needed, “via a mechanism known as a ‘bail-in.’” Further disclosures included bail-ins as a component of the proposed Canadian budget for 2013, for “systemically important banks.”

In October 2013, the International Monetary Fund (IMF) went further. For advanced economies with high debts that fail to aggressively “mobilize domestic revenue,” it [recommended](#) a series of escalating income and consumption tax increases culminating in the **direct confiscation** of assets. In essence, since there are not enough wealthy people to fund today’s government debt obligations, all households with positive net wealth may have their assets plundered. The only government alternative available to this kind of wholesale theft is public debt repudiation and hyperinflation.

Among signatories to a 2013 financial document which proposes that **creditors of financial organizations, including depositors, carry responsibility** to bail-in bankrupt organizations, are central banks of the following nations: Belgium, Brazil, Canada, England, France, Germany, Japan, Netherlands, Spain, Switzerland and the United States. Among document signatories we also find the FDIC, European Central Bank and the BIS.

In August of 2014, Federal Reserve Vice Chairman Stanley Fischer confirmed that not only were global and domestic economies still struggling, but the US government itself was [preparing financial contingency plans](#) in anticipation of another widespread economic event. According to Fischer, **failing banks will turn directly to their unsecured creditors, i.e. depositors**, to restore capital and continue operating.

Meeting in Australia, global financial “leaders” confirmed on November 16, 2014 that bank deposits are just part of a commercial bank’s **capital structure**—and further, that they are far from the most senior portion of that structure. The G-20 is saying that there is NO obligation for any government to bail anyone out.



The Financial Stability Board recently [published its plan](#) for making sure TBTF (too-big-to-fail) banks can be wound down and recapitalized in an orderly way. The price tag: \$1.2 trillion will need to be raised to remedy global shortfalls, with \$120 billion of it applying to eight of the biggest US banks. The key is to have enough of the right kind of bond maturities “**readily available for bail-in**” of depositor’s money.

As the FSB noted, “a bank deposit is no longer money in the way a banknote is.” (A banknote is a loan between banks, where a bank deposit is between a bank and an individual.) It’s in black-and-white:

included in the US sweeping financial regulatory reform known as “Dodd-Frank” that was passed in 2010 was a provision allowing SIFI bank losses to be assigned to shareholders and unsecured creditors.

FSB Chairman and Governor of the Bank of England Mark Carney confirmed that it has unveiled proposals [forcing creditors to bear losses](#) at “systematically important banks.” Creditors include depositors, who will see their savings turned into shares of bank stock... The [European Central Bank](#) confirmed that effective January 1, 2016 the “bail-in” principle will be “introduced, thereby ensuring that taxpayers will not be first in line to pay for bank failures.”

The message for Americans is that if one of our “too-big-to-fail” (TBTF) American banks is in danger, the threat of **DEPOSIT CONFISCATION** is real and almost guaranteed for depositors with accounts containing money in excess of FDIC coverage limits. We don’t have to be in a crisis environment for this to occur. Martin Armstrong predicted in 2014 that we should “expect banks to start charging fees to deposit cash, in combination with lower deposit rates on interest.” And that’s precisely what’s happened in Australia. Which brings us to our next topic—

Government’s war on cash. Actual cash in our financial system—the total of Federal Reserve Notes and coins—is only about \$1.36 trillion. The rest is digital “money:” \$10 trillion of this electronic money is “sitting” in bank accounts, \$20 trillion in stocks, \$38 trillion in bonds, \$58 trillion in credit instruments floating through the system, and something over \$200 trillion is in unregulated over the counter derivatives. So actual cash represents much less than 1% of the alleged money sloshing through our financial system.

Consequently if during a panic a significant number of people turned their “money” into actual cash, a serious problem would likely occur. Controllers currently have several distinct objectives which would be advanced by eliminating cash:

1. They want to avoid runs on their banks, which WILL happen when public panic meets a shortage in actual cash.
2. Bank robberies and dirty (terrorist and black market) money can be eliminated.
3. They will be able to track and control your financial transactions (all of them).
4. You can be forced to spend your money or pay the banks for the privilege of keeping it.
5. Every financial transaction can be taxed (the IRS’s dream).



The UN’s Sustainable Agenda contains a plan to microchip and control worldwide “all land, all water, all minerals, all plants, all animals, all construction, all means of production, all energy, all education, all information and all human beings in the world”

Hence, a cashless society not only seems practically assured, it also fits a “Mark of the Beast” future scenario. At a 2015 IMF research conference, former US Treasury Secretary Larry Summers bluntly demanded the global [abolition of all cash currency](#). The primary reason, said Summers, was to enable governments and banks to push interest rates below zero—meaning that every saver would then have to pay a fee for the warehousing of his/her money... German economic advisor Peter Bofinger admitted that “The main goal is the manipulation of interest rates and consumers, in order to attain specific goals of economic policy.”

Former Presidential aide Harald Malmgren stated in an interview that Blythe Masters, the ex-JPMorgan architect of organized market trading of modern asset-backed securities (which nearly took down the economy in 2008), is leading a project to utilize a blockchain (such as bitcoin’s) to [implement a cashless](#)

[society](#). A single ledger would record every expenditure or revenue event and could be expanded to form a global system. All transactions would be recorded. Financial privacy would no longer exist, except for those able to effectively use barter.

Credit card companies have signed up, and are already forcing members to switch to "[smart](#)" [credit cards](#) which contain your financial information in an embedded chip. Merchants were forced to accept these cards or be held liable for fraudulent purchases on non-chipped cards after October 1, 2015. (Incidentally, Smart Cards project information to card readers at 13.56 MHz and the data can be intercepted by hackers located close to you. For protection, you can block unlawful scanning by enclosing the card in an RFID sleeve; [REI.com](#) is one source of inexpensive sleeves.)

In April of 2015 JPMorgan Chase notified customers that [it would no longer allow cash](#) to be stored in safety deposit boxes. The prior month it announced that borrowers would be unable to use cash to make payments on credit cards, mortgages, equity lines and auto loans... At the state level, Louisiana passed a bill making it illegal to pay for used goods with cash. Since the US will be able to move to a cashless society as easily as Europe, because the dollar is used around the world and canceling that outstanding money supply would bring tremendous international unrest, **hold dollars, not euros—at least for now.**



The cashless society has been [advancing fastest in Europe](#). [Denmark and Sweden](#) are moving toward all-digital currencies, with cash prohibited in their economies. Sweden is shaping up to be the first country to plunge its citizens into an experimental economy of **negative interest rates in a cashless society**. The Swedish central bank has held its benchmark interest rate at -0.35% since July (although retail banks have yet to pass the negative rate on to Swedish consumers). Limits on cash are in-force in Italy, Spain, Mexico, Uruguay and Russia; policies/initiatives frustrating the use of cash have been initiated in Canada, South Korea, Belgium, the UK and Somaliland.

In January 2016, **China** announced it's strongly considering moving to a [digital currency](#) "as early as possible." In addition to "war on cash" benefits listed above, it cited a reduction in the cost of printing paper currency.

Australia is attempting to impose a [tax on money](#) itself. France has drastically tightened control over the use of cash, gold and cryptocurrencies, such as Bitcoin. French citizens and tourists are only allowed a limited amount of physical money. Financial police are searching trains passing through France, looking for cash being transported, which is being seized. The movement of all valuable tangible items that might be useful as barter also must be reported to the government starting in September of 2015. Thailand is abandoning its "safe haven" image and taking steps to [eliminate cash](#). There are reports that a "[secret meeting to end cash](#)" took place on May 18, 2015 in London.

[Switzerland plans](#) to hold its bank interest rates negative until 2017... Kenya has become a testing grounds for cashless economics—linking mobile phones with a biometric national ID card, which doubles as a payment device. MasterCard is behind this development, which will allow it direct access to over 170 million potential customers—along with their personal and biometric data. An even more ambitious program is underway in India. **"As long as people continue to abandon the use of cash, for the sake of a few minor gains in convenience, the war on cash is already won."**

Wealthy individuals are withdrawing cash as fast as they can around the world. Swiss citizens are hoarding cash, according to Martin Armstrong (who writes from Zurich). "Sales of safes have skyrocketed and the

demand for the 1000 franc note has taken off amazingly. With banks losing trust and interest rates going negative, the demand for the 1000 franc note has doubled since 2007."

In an attempt to retain control, central banks and regulators are considering putting a "carry tax" on physical cash, meaning that your dollar bills would gradually depreciate once they were taken out of the bank. Ellen Brown has written an [excellent summary](#) of the no cash, negative-interest banking-cartel's dream world.

In its mad rush to control all savings, every EU member state is now being required to implement an EU directive by 2016 which "[entitles every citizen to have a so-called "basic" bank account](#)". Therefore, the 10% of the European population without a bank account who are preventing its moving to a cashless society were REQUIRED to have a bank account by yearend 2015. But six European countries refused and so the Czech Republic, Luxemburg, the Netherlands, Poland, Romania and Sweden are being [sued by the European Commission](#)!



It gets worse: Germany is [proposing to control objects](#) of intrinsic value—beyond gold to art objects that can be classified as having "cultural value." Pretending to protect the country's heritage, it would require collectors to submit information, including photos and location of items of value in their possession. Martin Armstrong notes that the hidden objective is to prevent assets and their collectors from leaving the country. "Items in collections for hundreds of years can be confiscated without proof of when it was exported historically."

All Greeks must declare, under penalty of [criminal prosecution](#), cash of 15,000 euros, jewelry worth more than 30,000 euros and the contents of their storage lockers/facilities... Police have become [revenue agents with guns](#). There should be little doubt that what is happening now in Europe is also intended for America.

Bottom line recommendation: convert the bulk of your "cash" assets into physical cash (\$100s and \$20s) — without delay! Keep at the bank only the amount you need to operate (pay bills, run a business, etc.) As long as your withdrawals are \$3000 or less, you will most likely NOT be reported as a suspicious character to FinCEN. If you need additional motivation, [read this article](#) about the ease with which your digital "bank holdings" can be manipulated and confiscated.

Following Europe, the US will be a candidate for going cashless. If that happens, a window in time will probably be provided to redeem cash for electronic money. Keep receipts for the source of your cash, lest you be taxed or worse for being unable to prove why you are holding cash. And don't be surprised if limits are set on "cash deals."

Besides, other than being a convenient way to pay your bills, do the after-tax negative returns on your banked assets justify placing excess savings directly in the path of potential government confiscation?

What does the FDIC cover? The Federal Deposit Insurance Corporation is a quasi-government agency responsible for protecting bank depositors from loss in the event of bank failures. Coverage is generally

limited to \$250,000 per account, per bank. You can confirm the following summary at <http://www.fdic.gov>.

- Each individual depositor is covered up to a total of \$250,000 of deposits per bank in combined single (checking, savings, CDs, sole proprietorship) accounts and another \$250,000 for his/her share of joint accounts.
- Retirement accounts (IRAs, SEPs, SIMPLE plans, Keoghs and 401k accounts) are protected separately to \$250,000 per person.
- P.O.D. (payable on death) accounts, and revocable and irrevocable trusts provide additional coverage of up to \$250,000 per qualifying beneficiary, per owner. Conditions of coverage for trusts can get complicated.
- Corporate, partnership and unincorporated association accounts are separately insured up to \$250,000. Employee benefit plans are protected up to \$250,000 per participant.

Does the FDIC have sufficient funds to cover future losses? In a word, NO. Its rescue funds, collected through premiums from member banks, have been spent, even though as of [September 30, 2015](#) the FDIC had \$70 billion (up from \$25 billion shown on the chart below) in reserve. But that \$70 billion covers **less than 1% of the \$6 trillion of insured bank deposits**. As of March, 2015, 253 of its banks were categorized as [troubled](#).



Source: OCC.gov; H.R. Statement; Zero Hedge

To make matters worse, the FDIC is liable under loss share agreements with banks which assumed ownership over the operations of previously failed banks—to include marginal loans, mortgages and derivatives, comprising an additional estimated \$295 billion exposure.

When major US banks begin toppling during the systemic crisis that IS coming, the FDIC will draw on a line of credit with the Fed; it provides up to \$500 billion if “extraordinary circumstances arise.” What will happen to your insured funds (within FDIC-guaranteed limits) if your SIFI/TBTF (too-big-to-fail) bank is still underwater after all uninsured, unsecured creditor money has been confiscated? **Will you feel lucky?**

Who are the “too-big-to-fail” banks? They’re the banks listed in chapter 4 as primary players in derivatives markets and also featured on the list for which the SEC temporarily prohibited naked short selling (of their stocks) in 2008: JP Morgan Chase, Citibank, Bank of America, Wells Fargo and Goldman Sachs head the list. They also received bailout money; here’s a [complete list](#) of bailout recipients. If your bank is not listed, that’s a plus.

Jim Sinclair wrote that bail-ins aren’t limited to banks. Hedge funds can also be bailed in, as can charities and non-profit institutions—as a result of their tie-in to a troubled financial institution.



Recommendation: If your money is in a TBTF bank, move it to a bank with lower risk. That alone may save your cash; the European Cyprus bail-in was applied only to its two largest banks. Why? Because they were the only ones in trouble—as a result of their faulty derivative bets. **If you can’t manage that, at least use multiple banks to stretch protection for accounts exceeding FDIC coverage limits.**

If you’re inclined to make a move don’t delay, because in addition to banks failing when its loans or other holdings go bad, a bank can also fail if too many depositors decide to withdraw their money at the same time. Under normal circumstances, banks lend out more than 90% of their deposits and can only cover the withdrawal demands of 3-10% of their depositors. When your bank is under pressure, it may limit the amount you can withdraw (remember, it’s not your money anymore).

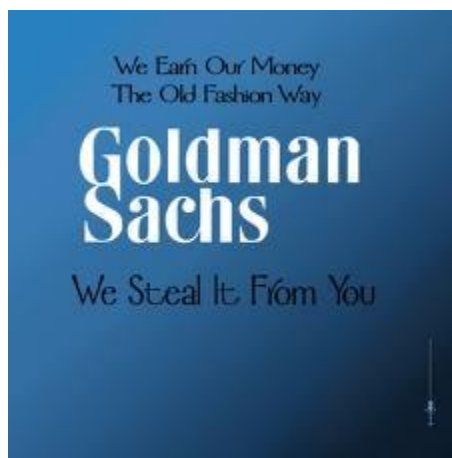
“Quantum Dawn” [cyber-attack rehearsals](#) recently run by major banks are just one more reason to get your money into local banks and credit unions you can trust.

While we’re discussing withdrawals, consider this: Russian oligarchs and other insiders bailed out of the Cypriot banks before they were closed. They had advanced knowledge. You can probably “bank” on the same thing happening here. So if you become aware of unusually large withdrawals going on at your bank, you should seriously consider quickly joining the exodus, before news hits public awareness.

Recommendation: Do not let your bank sell your funds overnight into REPO. Allowing your money market funds to be used in overnight loans to other banks is a neat technique to squeeze out a little interest. However, this procedure has a downside that is becoming increasingly important. If the funds’ borrower runs into trouble, your money could be lost.

What should I look for in a bank? Start by understanding what type of business your bank derives its profits from! Bad loans and derivatives on the books are the main threats to the solvency of your bank, savings and loan or credit union. Here are a few ways in which you can evaluate a financial institution:

1. Remember the acronym CAMEL: capital, assets, management, earnings and liquidity are the most important components of a bank's risk profile. The Fed and FDIC each publish statistics on these metrics for all US banks. Comprehensive bank reports are [published here](#) by the Federal Financial Institutions Examination Council (FFIEC). Click on "Financial Institution Info" the left margin, then on "UBPR."
2. Check out your institution's credit rating if it's publicly-held. Google "bank ratings."
3. Obtain a copy of the bank's most recent annual report, containing the attestation of an independent registered public accounting firm. See if its loan portfolio is skewed towards "risky" real estate (as opposed to business). **Ask specifically if "the bank or any of its affiliates has any exposure to derivative financial instruments or any other liabilities or obligations as a direct or indirect result of any derivative imbedded in any agreement, document or instrument through which the company is a party, or by which it is bound."**
4. Ask to look at the bank's UBPR (Uniform Bank Performance Report), [here](#). Or you can research derivatives on the books of a particular bank at the FDIC website listed above.
5. Another way to measure a bank's solvency is to calculate its "Texas ratio." Divide the institution's bad and delinquent loans by its cash on hand plus money set aside to cover loans that go bad. A ratio of 1.0 or higher means a bank is in financial distress.
6. Or you can do it the easy way: purchase a report for \$25 from [Veribanc](#), which has been providing bank ratings on all US federally-insured financial institutions for 30 years, or a detailed report (good for one year's access) for \$50 per bank from Institutional Risk Analytics, now [TBS Bank Monitor](#).
7. We also recommend that you carefully read the language of the agreement you signed with your banking custodian; it will govern the disposition of your assets in case of serious financial problems in the world economy or with the custodian itself.



Games that banks play. Bloomberg recently described a technique used by banks to conceal losses in their portfolios. It's called "held-to-maturity" (HTM), and when applied to a bond or other fixed-income security which has lost value in the marketplace, HTM means the bank is assuming it will hold the asset until it is redeemed. An underlying assumption—which may or may not be valid—is that the issuer will be able to pay off the security when it matures. The fact that it is trading at a depressed price may cast some doubt on that assumption. The normal way of holding assets is "available for sale," (AFS).

Think local. There is a second good reason for moving your money from TBTF or "money center" banks. The largest banks operate out of the Northeast; money you deposit with them goes to Wall Street and

New York. Financial authorities including [Gerald Celente](#) and [Katherine Austin-Fitts](#) strongly recommend that ordinary citizens put their money in local banks that invest in the community. In that context, here's an eloquent proposal for rebuilding local communities – chapter 3 from a serialized book written by Thom Hartmann: <http://www.truth-out.org/stop-them-eating-my-town65481>.

Community banks are special. Many are still family-owned, with descendants of the founders still in charge and involved in day-to-day bank operations. Some of them survived the Great Depression intact. Most are very conservative with their investments – avoiding derivatives, and even mortgages. Many are intentionally small, not wanting to get so big that their customers become numbers, rather than individuals. A few things to look for:

- Has the bank avoided risky investments?
- Are income sources and lending recipients primarily local?
- Are decisions made locally?
- Can the bank cover at least 10% of its total investment risk with capital?
- Who are the owners? Is the bank headed for a buy-out by a larger bank?
- What is the tenure of key bank personnel?

Credit unions can also be a good choice. Nearly one-third of Americans are credit union members, and their numbers have been swelling since the Cyprus bail-in. They are structured as nonprofit, member-owned co-ops. Many participants feel their individual interests are better respected by credit unions. In addition, credit unions:

- Pay profits to members, rather than outside shareholders.
- Invariably beat banks on deposit interest rates.
- Usually offer no-strings-attached free checking.
- Insure deposits up to \$250,000, just like commercial banks.

The moment Janet Yellen realized she's running a Ponzi scheme.



To change banking institutions, you might want to first obtain a list of local banks and credit unions to begin shopping your change. Call your Chamber of Commerce or use the yellow pages. Don't be fooled by the name. You can also enter your zip code on the [Move your Money website](#). Then check out community reputations and banking services and see if the financial institution has a conveniently-located branch.

To make a move, open the new account first and move over most of your money. Keep the old account open for a month or so, while using the new institution as your primary account. After outstanding checks have cleared and the old account has stabilized, close it for good and shred old bank information.

Bank reporting—on you. Although there is no law limiting the amount of cash you can deposit or withdraw from a bank, the government has decided that a transaction of \$10,000 or more may indicate that money laundering, counterfeiting or some other potentially illegal transaction may be involved. As a

result, bankers are required to file a Cash Transaction Report (CTR) on you whenever \$10,000 is exceeded. A CTR does not mean you are in trouble, just on the government's radar.

An individual who attempts to deposit or withdraw more than \$10,000 by "[structuring](#)" transactions—making multiple transactions of less than \$10,000—is deemed to be suspicious. If it appears that you are trying to conceal large cash deposits or withdrawals, your bank is required to file a Suspicious Activity Report (SAR). A better way would be to spread out your transactions over time, across multiple accounts and/or banks, and vary the amounts. Or just go ahead and make your large cash withdrawal (after all, who in their right mind would deposit a huge amount of cash in the bank in this environment)?

The US Department of Justice has gone one step further—asking [banks to call local police](#) whenever a customer makes a "suspicious" deposit or withdrawal. DOJ's current definition is supposedly anything over \$5000 per transaction or an undisclosed amount per month. And it appears possible that deposits or withdrawals of [just \\$3000 in cash](#) are already being reported to the IRS. Banks are required to report suspicious transactions to the federal government, but extending this surveillance to local police would be a significant new step toward establishing total capital controls in America. I've also seen reports recommending that cash transactions be limited to \$2,000.

[Additional information is written under FinCEN, on page 202.]

Federal theft. Theft of your savings isn't limited to bail-ins of failing institutions. If the IRS director of field operations thinks a good enough reason exists, it can seize funds directly from an operating bank account. One recent case involved a restaurant owner who does business in cash; after making multiple deposits just under \$10,000, the IRS broke into her account and seized more than \$30,000. And it [seized the account](#) of Lyndon McLellan, a businessman who made two deposits totaling \$11,400 within a 24-hour period. In an article written for Forbes, Rick Ungar noted that 80% of the accounts seized involve individuals or businesses that are completely innocent. The IRS is known for confiscating the cash on a mere suspicion of wrongdoing with no proof or even evidence to support the suspicion. The money is often not returned.



Governments are also stepping up their practice of [confiscating money that's "not being used."](#) All 50 states are monitoring bank accounts and safe deposit boxes, and some are shortening the time periods required before they can classify them as "dormant" and help themselves to the contents. For example, Australia reduced its waiting period in 2014 from seven to three years, resulting in a \$360M windfall. And in the UK, another English-speaking country that sometimes sets a precedent for the US, Prime Minister David Cameron threatened higher taxes unless tax officials were given draconian powers to [raid people's bank accounts](#) to collect taxes that the government says are due.

This [CNN Money article](#) reports that "government agencies across the country are hiring **private debt collectors** to go after millions of Americans over unpaid taxes, ancient parking tickets and even \$1 tolls." Governments everywhere are strapped for money and are hiring an increasing number of these "bottom feeders" to do their dirty work for them. As a result, many unsuspecting or even completely innocent Americans are harmed.

From CNN comes news that Social Security checks being paid to retirees are now being [garnished to pay for old student loans](#) that had mostly been "forgotten." Doesn't sound as out of line to me as it did to

CNN, but the development does show that government is stretched. We have seen evidence in multiple locations that US pension assets and saving accounts are in the cross-hairs.

The IRS is also targeting taxpayers for their parents' [decades-old debts](#) ... even going so far as to send letters to Canadians who had one American parent demanding that they pay US back taxes incurred over decades. They are reportedly hunting anyone overseas and are after every nickel and dime they can find.

Practical advice: never overestimate your income to get a refund check, for the IRS has been delaying refund checks as they search records to find an excuse to not give you anything!

Without any intent to dwell on the etheric, please consider this [true story](#) about the banking industry; it has a strong lesson for those who are willing to take the time to read and understand it.

MINIMIZE YOUR EXPOSURE TO BROKERAGE ACCOUNT FAILURES.

What would happen if extreme economic turmoil pushes your brokerage firm into bankruptcy? Every stock brokerage firm in the US is required to satisfy certain net capital requirements, laid out in SEC Rule 15(c) 3-1. To determine a broker's ratio of liabilities to net capital, just ask. If you are concerned that your broker may be conducting riskier business than that of other firms, dig deeper... or leave them.

How vulnerable are your assets at a brokerage firm? For starters, the confiscation that reared its ugly head in Cyprus also showed up at private firms and brokerages in the US. In 2007, \$500 million in customer funds at Sentinel Management Group were used illegally as collateral in events leading up to Sentinel's collapse, and then lost (through a US District Court decision) to creditors from the banking cartel—even though the funds were segregated and legally protected from rehypothecation. (Fraud was proven by the subsequent conviction of Sentinel's CEO and head trader.) This was a prelude to the MF Global scandal, when ex-NJ Governor and MF Global CEO John Corzine illegally pulled \$200 million of segregated customer funds in 2012 to cover the company's overdraft account at JP Morgan Chase.



Are accounts at brokerage firms insured? The brokerage firm itself should be a member of the Securities Investor Protection Corporation (SIPC, www.sipc.org), an independent organization set up by Congress in 1970. Ask your broker whether its firm is an SIPC member (all companies registered with the

Securities and Exchange Commission are required to be members), or call SIPC Membership at 202-371-8300.

The SIPC covers losses to the first \$500,000 of a customer's combined assets at a firm, with a limit of \$100,000 for uninvested cash balances. (Money market funds are considered securities, not cash.) It does not cover losses on futures contracts, currencies, limited partnerships and annuities. Nor does it cover losses resulting from investment fraud. The SIPC states that these coverages are to be considered a "floor" rather than a ceiling, with each investor of a failed brokerage firm receiving a prorated distribution of customer assets.

But like the FDIC, SIPC is grossly underfunded, with [current capitalization](#) of about \$2 billion, against exposure in the trillions. If losses at your brokerage firm escalate in the current economic environment, the SIPC would be hard-pressed to make good on its basic guarantee. If the SIPC runs out of money, it would no doubt appeal to Congress for emergency help. Failing a rescue, the SIPC might function (for example) by replacing cash or value with non-transferable Treasury bonds of medium duration such as five years. Or it could simply melt down.

How about customers with over \$500,000 in a firm? Brokerage firms carry secondary insurance for this purpose and can tell you who the carrier is. Additional insurance, for example, at both TD Ameritrade and Charles Schwab is provided through Lloyd's of London (which several years ago required a cash infusion from Warren Buffett's Berkshire-Hathaway to continue operations). In the event of a financial calamity sufficient to take down strong brokerage houses such as these, reinsurers such as Lloyd's would probably also fail.



Are my stock positions vulnerable? YES, if they are held in "**street name**", i.e. the name of the brokerage firm, as they almost always are.

Every public corporation employs a transfer agent—a record keeper who maintains records related to the accounts of its shareholders. If your shares are held in street name and the brokerage firm fails, it might be difficult for you to reestablish your ownership of the investment.

To maximize the safety of the stock positions you hold at a broker dealer, you need to make sure that the stock positions you hold in your brokerage accounts are "**book entry**" (or "direct registration"), with your name recorded in the transfer agent's record.

If you are unable to assure yourself that your positions are in book entry form, instruct your broker to move your shares to **direct registration** with the transfer agent for each of the holdings you are not planning to trade. If your broker does not participate in the Direct Registration System, you will have to request physical certificates, and then deliver the certificates to your broker.

In regaining control of your shares, ignore the broker's objections, stalling tactics and cries of "old fashioned" or "retarded." The broker may even charge you for the service. Schwab, for example, reportedly charges \$500 to convert a stock position to certificate form. If the custodian holds the

certificate, no tax event occurs in an IRA. You might need to employ legal counsel to ensure that your position is **segregated** (not commingled with the broker's position). Converting a holding in an IRA to direct registration can be more complicated, requiring a sale (triggering a 1099) and then a rebuy; attempt this only with the full cooperation of the transfer agent and a new custodian.

Recommendation: hold brokerage account shares in book name or obtain an actual stock certificate. Page four of the SIPC's booklet "How SIPC Protects You" says "Customers of a failed brokerage firm get back all securities that already are registered in their name or are in the process of being registered."

Alternatively, sell the shares in your brokerage account and rebuy them directly. It is very important that you store your certificates in a safe place where they can be easily retrieved. Do not lose them! If you sell your shares through a brokerage firm, you will need to provide the certificates within three business days. If you cannot secure them yourself, store your assets only with an entity you know and trust thoroughly; safe storage excludes banks, for reasons explained later.

While you're at it, don't let your account sit idle for months at a time; that could invite embezzlers.

How about mutual funds? Mutual funds held in brokerage accounts are insured by the funds themselves. Your confidence (or lack of confidence) in a mutual fund's safety should be based on your regard for the fund's ownership and performance history, much the same as you assess the management and resources of a company before you buy its stock. Read the fund's quarterly reports. In addition, mutual fund rating agencies exist. Reputation should be a factor in selecting a fund—possibly even more important today than past performance. Exchange Traded Funds (ETFs) are covered by SIPC.



Money market mutual funds are also vulnerable. Ex-FDIC head Sheila Bair admitted that these funds are unstable in a crisis, due to their need to maintain the "fiction of a stable net-asset value" (of \$1 per share). When the \$62.5 billion Reserve Primary Fund failed amid the 2008 market collapse, there were calls for reform—and US money market funds are now allowed to restrict withdrawals.

As a potential forerunner to implementation, the SEC also voted to impose penalties on funds withdrawn from money-market investments in times of "stress," giving itself the power to delay payments indefinitely. These low-yield bank investments are supposed to be among the most conservative because, no matter how bad things may get, you are supposed to be able to always get your money out. The new rule appears to set the stage for [direct confiscation](#) through bail-ins of money market fund balances.

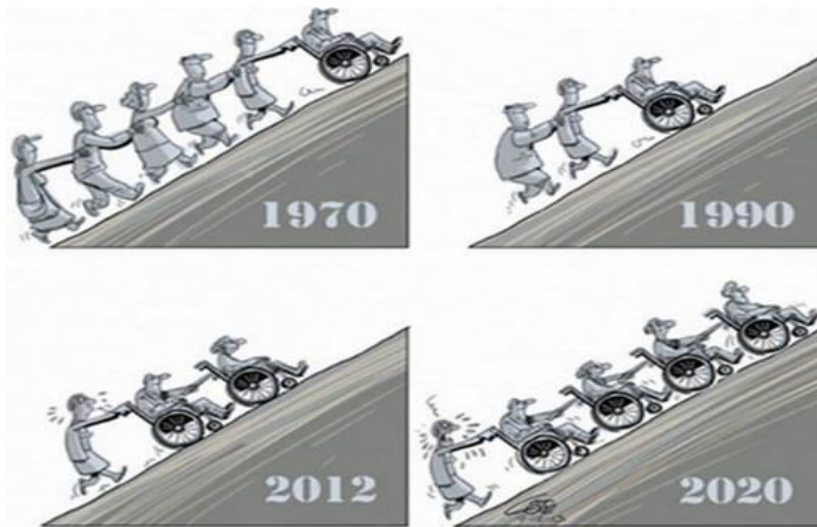
Recommendation: to avoid a bail-in of your brokerage account, consider moving it offshore—out of the US—to a BRICS or quasi-BRICS country such as Taiwan, Singapore or Hong Kong.

Jim Sinclair provided the following list of banks located in Singapore, having "the liberty to provide any financial service permitted by the Banking Act." Bank of Singapore, 63 Market Street; DBS Bank Ltd, 12 Marina Blvd; Far Eastern Bank Ltd, 156 Cecil St; Oversea-Chinese Banking Corporation Ltd, 65 Chulia St; Singapore Island Bank Ltd, 65 Chulia St; The Islamic Bank of Asia, 6 Shenton Way; United Overseas Bank Ltd, 80 Raffles Place.

SECURE YOUR INCOME AND PROTECT YOUR RETIREMENT BENEFITS.

The looming crisis could easily result in a further increase in national **unemployment**, from a currently-estimated **real** figure of 23% ([ShadowStats](#)) to well in excess of 30%. With no real recovery in sight, it remains prudent to avoid changing employment if you don't have to, and a very good time to go out of your way to please your current employer (perhaps even suggesting ways that he/she can change the company's business model to adapt to new realities).

Social Security payments should remain secure, given the government's ability to print money. However, one likely tactic would be denying benefits to anyone who refused to conform to government rules—as they might exist at the time.



Social Security spending (including disability benefits, Supplemental Security Income payments and administration) in the just-concluded FY2015 hit \$944,143,000,000, or [\\$6,345 for every American with a job](#). The ratio of workers to recipients is now down to 2.04.

Here's a list of [changes](#) in Social Security figures for 2016.

Pension insecurity. Individuals who are receiving **company pensions** need to realize that the average plan trustee is still assuming (hoping for) 8% annual plan returns—which allows the sponsoring company to minimize required ongoing pension plan contributions. The notion that a few good years of investment returns, combined with some additional contributions will solve most pension underfunding simply isn't true. Pensions have [failed to recover](#) with the stock market from their 2008 tumble. The likely result of continuing economic difficulty will be the failure of many of these plans.

Enter another government agency: the **Pension Benefit Guaranty Corporation** (PBGC), which is charged with protecting the pensions of 43 million workers in case their employers can't (or won't) pay promised benefits. The PBGC recently admitted that after running in the red for 13 straight years, it is now **-\$76 billion** in the hole, compared to its liabilities for future benefits. The agency's program for so-called multi-employer pension plans contains \$52 billion of the red ink. When asked for additional funding in 2014, Congress responded by including in the \$1.01 trillion FY 2015 spending bill a provision altering 40-years of federal law and affecting millions of workers.

The new legislation allows trustees of dozens of [multi-employer retirement plans](#) (covering more than a million retired and current truck drivers, construction workers and other union workers) to [unilaterally cut benefits](#) below guarantees, to "keep them viable." In other words, Congress is NOT going to be willing in the future to appropriate additional funds to rescue the indebted Pension Benefit Guaranty Corporation

whose job it is to, well, guarantee pensions that have been earned. Can individual company-sponsored plans be far behind?

An immediate casualty is the Central States Pension Fund, where plans are underway to cut pension checks in half for 273,000 retired and active truck drivers. A number of these funds, which cover more than 10 million workers, are in financial trouble... Jeff Berwick [elaborates here](#) on two reasons for pensioners to be concerned about their future pension income: (1) the US dollar is unlikely to be around in its present form in the next few years; and (2) pension funds are currently underfunded, with little hope of paying benefits if the markets fail to produce 8% returns for years to come... Charles Hugh Smith's blog "[The Coming Era of Pension Poverty](#)" contains some additional salient points for concern.

Following its move to downgrade bonds from the city of Chicago to junk, Moody's now estimates that the nation's [25 largest public pensions](#) are underfunded by \$2 trillion and in need of \$100 billion per year of new contributions.



This [Washington Examiner article](#) explains clearly why government pension plans are in an unworkable hole. A chain of events resulted in these plans being underfunded by at least \$1.5 trillion. And this is happening in supposed GOOD times!.. In other developments, Moody's cut Chicago's credit rating to "junk," principally due to its [\\$20 billion pension shortfall](#), and also put the city of Houston on notice.

Here's a long-shot remedy for pensioners: ***ask the plan trustee if there is any forum for negotiating a lump sum, rather than the monthly payments you are receiving.***

To add insult to injury, the Labor Department has had the nerve to encourage pension and retirement fund managers to invest, not to generate maximum retirement revenue, but instead in "[socially responsible](#) investments," i.e. green-energy producers—many of whom will fail, but who also happen to be political donors.

Retirement plan attack? As the US moves into another round of military overreach abroad and national bankruptcy at home, Washington appears to be in a desperate search for more revenue to continue financing its trillions in federal deficits. Foreign central banks—China and Japan being the largest—who were reliable buyers at Treasury bond auctions for years backed away, leaving the Federal Reserve as the buyer of last resort. With the Fed's balance sheet imperiled, Congress and the administration are casting envious eyes on the \$18.5 trillion in savings accumulated in IRAs and 401(k)s.

As a wakeup call on the kind of thinking that goes on in D.C., in the first Clinton administration a Treasury undersecretary stated publicly that imposition of a one-time 10% tax on all IRA, 401(k) and pension assets had been under consideration. And as an example of what a desperate government is actually capable of, Argentina in 2008 seized all assets of its private pension system. France, Ireland and Hungary have also dipped into retirement plans. In 2014, Poland announced a [takeover](#) and cancellation of government bonds held by the country's privately managed pension funds, stopping just short of fully nationalizing its pension system. And Russia also took a step towards controlling pension funds.

The US Treasury has temporarily dipped into the federal public pension fund on six occasions over the past 20 years, using the funds to avert government default in the face of looming debt ceilings. That's a clear precedent. Possible future steps in the US include mandatory ownership of Treasury bonds, confiscatory withdrawal taxes, or outright asset confiscation—any of which might be triggered by the administration in an “emergency” situation.



The Supreme Court ruled in *Tibble v. Edison* that employers have a duty to protect workers 401(k) plans from mutual funds that perform poorly or are too expensive. Armstrong wrote that this ruling sets the stage for government to [seize private pension accounts](#) to “protect” pensioners—sometime in the next four years, and perhaps in response to a huge market drop?

IMF interference. The International Monetary Fund [released a concept report](#) that recommends **defaulting on retirement accounts** held in life insurance, mutual funds and other types of pension accounts. Its recommendation consists of **replacing private sector savings with government-issued bonds** to pay the national debts of socialist governments. There is no intent to reform spending, but rather to extract citizens’ savings to pay for government spending.

The IMF paper states on page 8: “The distinction between external debt and domestic debt can be quite important. Domestic debt issued in domestic currency typically offers a far wider range of partial default options than does foreign currency–denominated external debt. Financial repression has already been mentioned; **governments can stuff debt into local pension funds and insurance companies**, forcing them through regulation to accept far lower rates of return than they might otherwise demand.”

A Sept 2014 summit of G-20 central bankers and finance ministers in Australia included discussions on the use of pension funds to “stimulate” economies. In sync, huge California pension fund CALPERS sold \$4 billion of its hedge funds in 2015 and diverted money to an [infrastructure fund](#), thereby displacing government spending with pension money.

So as economic conditions worsen, your retirement funds will be increasingly subject to government interference. 2007’s Pension Protection Act incentivized employers to automatically enroll employees in 401(k) plans. The Labor Department is pressuring life-cycle funds to include an increasing percentage of Treasury securities in their portfolios.

FrontPage Magazine reported that in “November of 2010 Senate Democrats held hearings to discuss the possibilities of seizing private 401(k) plans.” The Boston Globe reported in June 2013 that the current administration looked at imposing a \$3 million cap on the amount of money Americans can accumulate for retirement under all accounts. “The White House didn’t say whether balances above \$3M would be taxed or whether the limit would be indexed for inflation.”

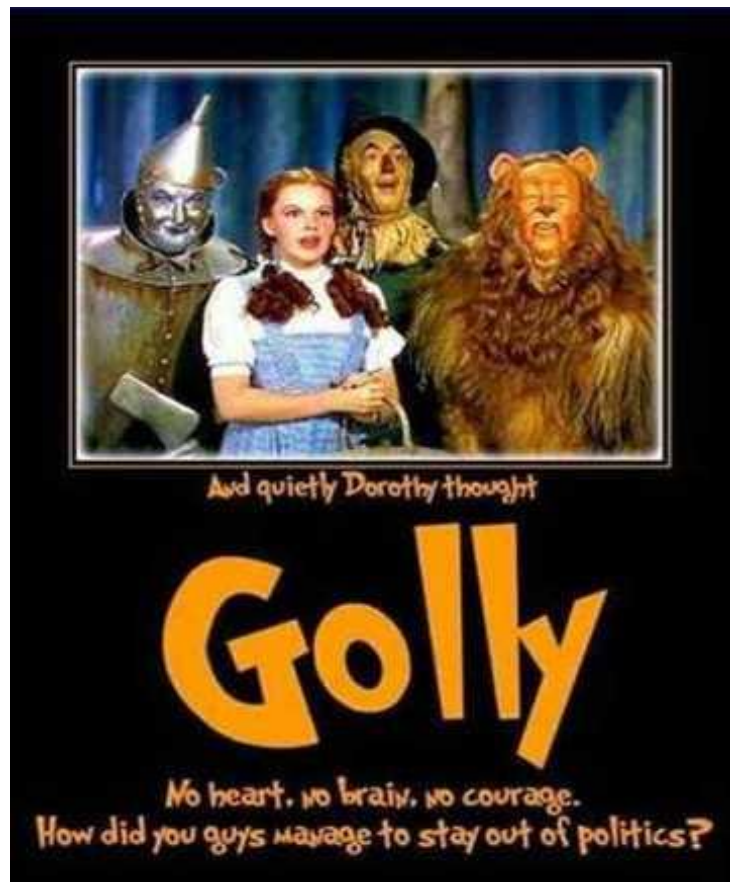
Automatic IRAs were introduced and defeated in the Senate in 2010 and then re-introduced in the House as H.R. 4049, titled the “Automatic IRA Act of 2012,” with 17 Democratic co-sponsors. Over in the Senate, the “SEAL 401(k) Savings Act” is planned for re-introduction; it would add restrictions on 401(k) plan

loans. These bills didn't pass the second time around either, but momentum is building. The late Bob Chapman of The International Forecaster put it this way: "The looting of retirement plans is still in the planning stage, and you're seeing these trial balloons go up." When nationalization of private pensions occurs, it will be spun as "for the greater good," and that you are "better off with the sovereign paper" anyway.

MyRA accounts were introduced in late 2014 and are now available for individuals with an annual income of less than \$129,000, and who do not have access to an employer-sponsored retirement plan. Contributions are invested in "the government securities fund available to federal employees," i.e., government bonds. Accounts are portable and as with a Roth account, withdrawals can be taken, subject to taxes and a penalty. "[MyRA](#)" accounts "guarantee return and no risk"—that is if you don't mind losing purchasing power. Since US Treasury yields fall below the real rate of inflation, money invested represents a big win for a government desperate to sell its bonds. For now, "if you like your retirement account you can keep your retirement account." Let's see how long the plan stays voluntary.

Meanwhile, the Senate "HELP Committee" has been tinkering with rules for pensions and Social Security. In July of 2012 it laid out a "two-part plan to solve the retirement crisis by making bold changes to the private retirement system and Social Security." Changes appear to include reduced benefits and increased taxes, but a bill hasn't made it into the light of day—yet. But Congress appears to be ready.

Another red flag has been introduced by PPACA ("Obamacare"). The ACA reduces the benefits of Health Savings Accounts (HSAs) by prohibiting the purchase of over-the-counter medicines with HSA savings and by doubling to 20% the penalty for an unapproved withdrawal. Some have observed that this power grab might serve as a stepping stone to an attempt to nationalize private retirement accounts.



Proposed changes for 2016 under the [administration's budget](#) include limiting retirement plan contribution deductibility to 28% and eliminating the NUA (net unrealized appreciation) tax break—hitting participants age 50 or younger hardest.

Recommendations:

- 1. Carefully check the language of your retirement plan custodian's agreement that governs the disposition of assets in case of serious financial problems in the world economy, or with the custodian itself.**
- 2. For your 401(k): (1) Stop making unmatched contributions. (2) Take the maximum loan allowed by the plan and use it to buy tangible assets. (3) Modify your company's plan to allow individuals to personally hold collectibles.** Matter of fact, we compare 401(k) or IRA plans to Trojan Horses from the government, which can change the rules at any time.
- 3. For IRAs: remove as much of your IRA savings as you possibly can and pay the tax. Alternative: move IRA assets to a special self-directed IRA (with LLC) that can be used to acquire and physically hold selected tangible assets.** If you take on an IRA/LLC, you **must** know the rules and follow them carefully. **Note:** the DOL has published new fiduciary rules that—among other things—promise to make it harder in the future to set up an IRA (with LLC). **If you want to establish one, do it now!**

Emergency conditions could result in bank closure. Standard financial planning guidelines call for a three to six month reserve of liquid assets (more on this in Chapter 6); consider the possibility that virtually all of the assets in your banking and retirement accounts might become illiquid. Since under most conditions a supply of paper money is the most practical means for carrying on, here's what to do:

More recommendations:

- 1. Keep enough dollars (in \$20's and \$100's) in your personal possession to buy food and gasoline (at inflated prices) for at least a month. Up to three months is desirable.**
- 2. Also recommended: to the extent possible pay down your debts and/or hold enough tangible, liquid assets (such as gold) to pay them off if it becomes advisable.**
- 3. Keep in banks only what you need to operate.**
- 4. If you're making mortgage payments, check the title to your home: if a M.E.R.S. number (MERSCORP Holdings, a robo-signer) is on it, you may have a "clouded title," and may need to [get assistance](#) to assure you're making payments to the actual holder of the title. Here is another source of [MERS information and help](#). (Almost 100% of foreclosures were done without the correct banking paperwork, resulting in illegal and un-Constitutional eviction. It is a complicated subject and the reader is invited to do their own individual research.)**

Chapter 6: SURVIVING THE TRANSFORMATION

"2016 will present many challenges to liberty but, in spite of the darkness of our hour, the force of freedom is on the rise. In the new year before us, we will have many opportunities to change the course of history. It's an exciting time in which to live." – G. Edward Griffin



We appear to be entering a chaotic period tied to the globalists imposition of their New World Order. Martin Armstrong says data from his Economic Confidence Model *"line up from many sources to produce **this most dramatic event in modern history**, involving patterns and relationships that have not appeared since the Great Depression. **We do know that the current monetary system will COLLAPSE... There is little question that we are in the meltdown phase of Western civilization.**"*

As noted earlier, signs including the Fed's December rate hike, attention being given to UN Agenda 2030, and many other signs indicate increased intensity in Controller actions. With redeployed military vehicles still in place and UWEX16 already public knowledge, a contentious general election, and the potential for hot war in the Middle East, we shouldn't exclude the potential for a Controller showdown this year.

A hypothetical future: even-tempered financial sage [Bill Bonner](#) wrote recently about the "deep state" and included this scenario in his latest letter, sub-titled *America – 2023*: "A man is about to be arrested...charged with a crime...and put in jail. He knows it's about to happen because when he went to buy a pack of cigarettes his 'money card' didn't work. When they come for someone, they first cut off his money."

"Cash was made illegal in 2017, at the bottom of the Great Panic. Now, without money he cannot travel. He cannot buy gasoline, He cannot buy food. He cannot buy a bus ticket or stay in a hotel. He cannot pay a lawyer to defend himself; he has no access to 'money.' But he couldn't call a lawyer anyway; his phone has been cut off too. What's more, each time he tries to use his money card, it signals his location to the money police. Within a few minutes he is picked up. Usually, he is never heard from again."

"What was his crime? You never know. Maybe he sent a contribution to a group that was 'too conservative.' Maybe he went to an 'unapproved' website to read the news. Maybe he tried to buy a gold coin. But it is not he who went rogue. It is the government..." As the article continues, Bonner writes about a threat that is developing right now.

Half Past Human projected "the next ten years are showing up as a 'decade of hard struggle' as not only the 'economic system' but the whole of the 'social contract' will have to be reconstructed from scratch."

Thrive analysis. Thrive provides valuable insight into global developments via monthly briefings to "ThriveTogether Subscribers." Based on inputs from a wide range of sources, Foster Gamble recently

reported his belief that (in addition to other material reported elsewhere in this book): (1) the NWO is failing; (2) BRICS members are planning to issue a gold-backed currency in 2016; (3) India has promised to protect from globalists a working over-unity power device; and (4) people are questioning government and banding together across the globe.

He recommends working with neighbors, educating others, and building alternative systems to preempt a new totalitarian system. Gamble expects future currency resets to be based on real assets (as does Lindsey Williams). He also alluded to an "X-factor," which the Illuminati acknowledge frustrates their plans; Gamble attributes it to the life-force/love.

THE RESISTANCE

A White Knight? Additional information has been coming in on a serious challenger to the dominating influence of the global banking cartel described in Chapter 2. The "[Asian Elders](#)" or "White Dragon Society" is an alliance of spiritually-oriented ultra-wealthy families residing in China, Japan, Indonesia, Viet Nam and the Philippines. Over centuries, they have accumulated vast wealth—much of it in gold bullion—and intend to use it to improve the condition of humanity. "Yamashita's gold" is reported to be a part of this Treasure trove.



Gamble confirmed in 2015 that this group is "real and a tremendously positive influence." The Elders are apparently ready to start funneling money into specific humanitarian projects around the world, but have until now been unable to do so, with the cabal dominating the planet. The group is continuing attempts to broker an agreement with the power structure that would result in a "soft landing" for the cabal, which would then step aside and allow the Elders to begin their work. One project would be the issuance of asset-backed US Treasury reserve notes. They are offering a graceful exit for the bankers, whose global domination agenda is failing (despite giving away \$16 trillion to global banks in 2008). Foster now says that he expects the group to release a first increment of this money in 2016.

A sidebar to this story, which strikes me as illogical, is an allegation that the Bretton Woods agreement (page 71) was enabled by a Dragon loan which allowed repayment of a huge loan from European bankers—with the Dragon loan now overdue. Indonesia's President Sukarno was allegedly involved, as was JFK's issuance of executive order 11110, and included money issued outside the Federal Reserve system. [Benjamin Fulford](#) is another source of information on this story.

America's military veterans. In a [letter to Dave Hodges](#), one of the Generals who was retired early by the Obama administration wrote that soldiers have already volunteered to serve under him in a fight for our freedom, and that he was "personally aware that many such meetings had taken place with similar pledges of support." He was part of a Pentagon study in 2012 which "estimated that roughly 60% of active duty Army personnel will side with the American people as will 80% of the National guard when the order is given to openly enslave the American people under martial law." 90% of Marines will side with the American people but in excess of 75% of the Air Force will side with the government, while the Navy stands aside, according to the study.

The 3-star General said he speaks fluent Russian and believes that "Russian forces currently on American soil have no stomach for a fight with the American people." The General's letter concludes: "Never start a fight but always finish it, and when going into battle let your enemy know through your words, deeds and actions that while I might die today, know that I will not die easily and God willing I will not die alone."

Declaring war on the New World Order. That's the title of a [Dave Hodges article](#) that characterizes the unfolding American economy as a corporate "Rollerball" movie style of dictatorship. One thing we can easily do to cripple this beast is **boycott their businesses**. Here's Dave's list: Disney, ABC, NBC, CBS, PBS, Fox, CNN, GM, Ford, Toyota, Home Depot, Lowes, Sam's Club, Walmart, Safeway, Kroger's, Red Lobster, AT&T, Verizon, IBM, HP, FedEx, Johnson & Johnson, Avon, Levi Strauss, Herbalife, National Cattlemen's Beef Association, National Farmers Union, American Sheep Industry Association, Recording Industry Association of America. Don't buy their products and don't buy their stock. Instead, find and patronize **local independent businesses**! In a similar vein, Devvy Kidd has an extensive and growing list of "Made in the USA" products at http://www.devvvy.com/made_inthe_usa.html.

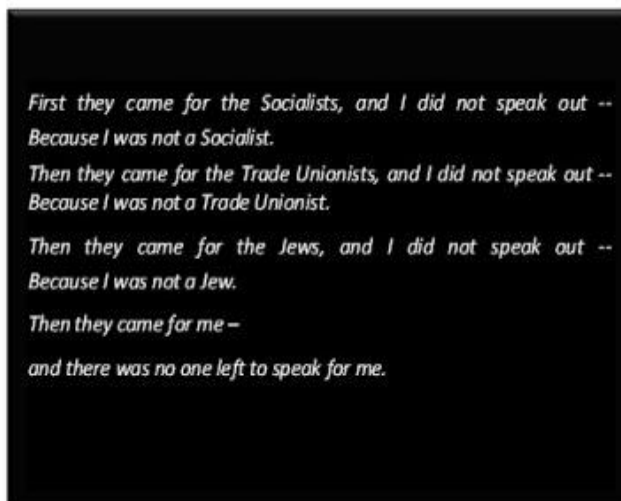
Big picture advice. Damian McBride, former head of communications at the British treasury and former special advisor to Gordon Brown, erstwhile Prime Minister of the UK, recently tweeted the following in response to plunging global equity markets: "(1) Get hard cash in a safe place now; don't assume banks & cashpoints will be open, or bank cards will work. (2) Do you have enough bottled water, tinned goods & other essentials at home to live a month indoors? If not, get shopping. (3) Agree on a rally point with your loved ones in case transport and communication gets cut off; somewhere you can all head to."

Individual resistance: The advent of the internet and the emergence of an outstanding group of alternative-media researchers, bloggers, writers and broadcasters have made possible the rapid awakening of the American public. The number of informed citizens is growing so rapidly that the cartel is scurrying like cockroaches and accelerating its takeover timetable—focusing on the build-up of Homeland Security and FEMA (Federal Emergency Management Agency). Controller **initiatives in America may collapse in one to two years—IF enough Americans wake up and resist**. We vastly outnumber them!

Indeed, uber-insider Zbigniew Brzezinski has confirmed our power, complaining several times publicly about the "[great global awakening](#)," blaming the accessibility of "radio, television and the internet." He also pointed out that whereas in the past it was "easier to control one million people than to physically kill them," today the situation appears to have reversed. Fair warning from one of the globalist's leading sociopaths.

COPING for INDIVIDUALS. Here's a list of 49 ideas that might enhance your survivability:

1. If you're inclined to leave the country, recall the successful experience of Jews who left Germany just in time with their families and **don't delay**. Another reason to expedite your decision is that expatriation is becoming [more difficult](#)—and costly: the price has increased from \$450 to \$2,350. Simon Black provides [extensive advice](#) and direct assistance in expatriating and is developing a community of American expats in Chile. Doug Casey followed the Nazi precedent and built a [community](#) in Argentina, complete with polo field. Bill Bonner also [opted for](#) Argentina.



Martin Niemöller (1892-1984)

On the other hand the downside of emigrating is that if America falls to the New World Order, where on the planet will you be safe? So my plea to awakened Americans is to stay. Start preparing with and through a group: your neighbors, the Tea Party, Thrive, Oath keepers, etc. Focus on your community. Also see "The Power of Groups," below.

2. Here's an article with helpful ideas for anyone planning to [establish a retreat](#).
3. Stay informed: get your news from independent alternative internet sources. NOT television.
4. Stockpile food, water and medical supplies for at least three weeks; three months is better.
5. Stash enough cash at home—in \$20's and \$100's—to buy food and gasoline for three months.
6. Get a paid-for roof over your head, if possible. If not, you may lose your shelter.
7. Do your best to get out of debt, even if it means returning assets you bought on credit.
8. Protect savings and retirement assets as described in Chapter 5.
9. Accumulate other barterable items: seeds, batteries, tools, weapons/ammo, motor oil, light bulbs, toilet paper, cigarettes, soap, sugar, liquor, etc.
10. Hide your valuables, protect your privacy and exercise caution out in public.
11. Personally hold at least one bag of 90% silver and as much physical gold as you can afford.
12. Transfer or make preparation to quickly transfer your wealth into tangible assets.
13. Move any money in New York/Wall Street banks to a local bank or credit union.
14. Diversify a portion of your dollars into selected foreign currencies, as an interim measure.
15. Assess and improve your home security.



16. Clean your firearms, ammo-up and prepare for use if it becomes necessary.
17. Look into local currencies available to your area—a starting point for dismantling the Fed.
18. Learn barterable and survival skills, and learn to use tools—especially hand tools.
19. Develop a source of backup income, ideally something done at home (gardening, sewing, etc.), even if it's currently illegal (bootlegging was an income source during Prohibition).
20. Conduct a small barter transaction to acquire valuable experience.
21. Be prepared if the power grid fails to QUICKLY [fill your bathtubs](#) and also use water in your water heater and toilet tanks. Capture water running off of your roof. (Filter before drinking).
22. Set up a solar electric and/or windmill off-grid system for emergency electricity (see Appendix F).
23. Learn about edible weeds and you can graze by the roadside.

24. Keep your free speech by simply using it; but don't go out of your way to be conspicuous.
25. Start buying local products and services—to defeat globalism.
26. Start a garden or construct a greenhouse and grow fresh fruits, vegetables, herbs, etc. Read "Grow Your Own Groceries," by [Marjory Wildcraft](#).
27. If feasible, store fuel to last at least two years.
28. Print up what to do in medical emergencies. Or buy a [medical handbook](#).
29. Do your best to get fit; wean yourself off of pharmaceutical prescriptions and additions, including cigarettes, Coke and sugar free Aspartame. Otherwise you will be a miserable companion for those around you in a survival situation.
30. Eat better; learn about genetically-modified foods and if affordable always say "no" to GMO.
31. Minimize your and your children's exposure to cell-phone radiation. Recently, France [banned Wi-Fi](#) from pre-school facilities. Studies show that children's brains absorb up to three times more radiation than adult brains.
32. Study aquaponic gardening. Traditional gardening is becoming more difficult due to the aluminum particles that are being sprayed into the skies (chemtrails) and infiltrating the soil.
33. Read books such as "The Essential Wild Food Survival Guide," by Linda Runyon; "Five Acres and Independence – a Handbook for Small Farm Management," by M.F. Kains; and "Living Without Electricity," by Stephen Scott and others.
34. Print out addresses of 100 producers of non-hybrid, heirloom seeds to enhance the probability of making contact if the power grid goes down.
35. Get involved in projects that are developing free energy.
36. Make an easy outdoor kitchen with a [rocket stove](#), using just a few bricks and some sticks.
37. Move if you can to a location whose sheriff will support the Constitution.
38. Learn about Turmeric, a powerhouse Indian spice with many health benefits .. you should look it up. Thieves Oil, Colloidal Silver, Nascent Iodine, Moringa and Borax cures are also worth your time. Buy some water purification tablets.
39. Review closely bills from hospitals, which are now [wildly inflating](#) them.
40. Invest in the local community, for the highest total personal economic return.
41. Get to know your neighbors to the extent that you can and determine who are like-minded and who are likely to panic in a real emergency.
42. Develop a family meeting and survival plan.
43. Find out what medical information has been reported on you by insurance companies and consolidated at [www.mib.com](#) or by calling the Medical Insurance Bureau at 866-692-6901. One tiny error in your file could cause you to lose insurance or be misdiagnosed.
44. To stop information on you from being reported to the American Medical Association database and potentially used for end-to-end profiling and marketing purposes, ask your doctor to submit a Do Not Contact and a Do Not Release with the AMA.
45. Check your insurance and annuity company credit ratings at [www.standardandpoors.com](#), [www.fitchratings.com](#) and/or [www.moodys.com](#) and ask your agents for recommendations.
46. Update your important papers and make a record of where they are located—for your survivors, in case you don't make it through this in one piece. Make a video of their location if appropriate and while you're at it, record the condition of your home.
47. Consider [teaching your children](#) survival skills, in case you aren't around when they need them.
48. File your tax return manually, rather than electronically—making it more difficult for the IRS to find mistakes in your return. The downside of this is that the IRS prints Social Security Numbers

on most of the materials it mails, making the numbers easy pickings for identity thieves. Recently, the IRS has taken a position that its current budget does not allow it to fix this known problem.

49. Purchase a gun without being subjected to a background check (unless you live in California, Colorado, Illinois, New York, Oregon, Rhode Island, Connecticut, Maryland and Pennsylvania) by buying from a private individual who is NOT in the business of buying and selling guns. In the latter three states, you can purchase from an individual as long as it's not at a gun show.

The above is not meant to be a prepper guide. The best comprehensive guide I am aware of is "Dare to Prepare," which you can order from Stan and Holly Deyo at <http://www.standeyo.com>. A worthwhile source of survival products is the Amish [Lehman's](#) Catalog. There are many good prepper sites; here's an [article with an interview](#) of survivalist and author James Wesley Rawles.

Here's more: this article contains hyperlinks to sites oriented to [self-reliance](#), including getting informed, learning skills, getting out of debt, storing and raising food and medicine, preparing for emergencies, making supplies, and bartering. And four additional survival articles worth reading, with differing perspectives. [Here's one](#). And [another](#). And [another](#). And [one more](#).

Living in poverty through the transformation that's ahead can mean getting very creative. Joshua Krause writes in some detail about surviving by [living in a van](#).



And if you're on a list? Steve Quayle originally exposed the idea of government lists—expounded upon in [this article](#), with a view towards recommended preparation if you are a "blue" or a "red." The Green List contains "sheep" who will comply peacefully with government requirements, while Blue List participants would require "re-education" to obey and comply with the New World Order. Red-listed Americans would include preppers, survivalists, constitutionalists, outspoken critics of the globalists, members of patriot groups, veterans, etc—those who would be prepared to fight for the rights and liberties spelled out under the original US Constitution. Guess what would happen to them? A couple of simple tips from the article:

- Leave all electronic devices at home when you shop for survival gear or foods. If at home, leave your phone in the car so your discussions remain private and have any discussions about survival after an event away from your computer or any electronic devices. If you use social media for any reason do not offer any private information.
- If a catastrophe hits and it is not an EMP which would destroy your electronics anyway and you have a bug out location to go to.... destroy all electrical devices except maybe your short wave radio so you can still obtain information from underground sources and Ham operators about what is going on in the world.

Nullification in action. Nullification by individual states of unconstitutional actions by the federal government is clearly our best hope for taking back the country! The 10th Amendment to the Constitution reserves for the people and the states all powers not SPECIFICALLY granted to the federal government. Here's an excellent primer on the [10th Amendment](#) and here's the [10th Amendment Center](#) website, which is leading the charge. For example the site has identified a four step process for **nullifying Obamacare**.

Georgia became the first state to clear the first hurdle, which is to “**ban state enforcement, participation and material support.**” As another example, the Center has developed model legislation that can be used to shut down utility services to offending federal sites.



Nullification is definitely working. Federal laws including REAL ID, medical marijuana and gun control have been nullified by several states over the past few years. Incidentally, Mexican **marijuana** farmers have stopped planting the crop because they cannot compete with [legal marijuana](#) grown in the US. Here's what's been happening:

- **Arizona** voters approved a proposition to [reject federal acts](#). Prop 122 enables the state to hold a referendum on unconstitutional federal policies such as gun control, surveillance, and Obamacare. If Arizona follows through, this could serve as a model for other states. The movement was started by one individual, Jack Billits, who mortgaged his home and spent \$1.2 million to get the bill on the ballot. **Arizona** also decided to ignore Obama's executive orders.
- **California** is in the process of nullifying any attempt to imprison Californians under the NDAA. Laws to nullify Obamacare and the NSA were introduced in 2014. It also passed a bill to deny material support—water, electricity, data sharing, etc—to illegal federal spying programs.
- **Florida** passed a law [banning biometric data collection](#) in schools.
- **Georgia's** [Health Freedom law](#) went into effect in July 2014, banning participation in several provisions of Obamacare.
- **Minnesota** passed a bill banning police from obtaining [cell-phone tracking](#) information without a warrant.
- **Montana** nullified federalization of its state law enforcement; it will NOT allow receipt of drones, combat aircraft, grenades, etc.
- **Nevada** successfully shut off water to a federal agency site.
- **Oklahoma** passed a bill [legalizing US-issued gold and silver coins as legal tender money](#) for debt and taxes within the state. It is a meaningful challenge to the use of Federal Reserve Notes issued on behalf of the federal government, and a threat to the Federal Reserve System.
- **South Carolina** passed a bill legalizing the growing of [industrial hemp](#), a crop that is worth \$500 million per year in the US market. The action follows **Colorado, Oregon, Vermont, Connecticut and Maine** in defying the federal hemp ban. Marijuana is a DNA-regeneration plant which allegedly helps autistic, spastic, epileptic and Asperger-afflicted children. First Nations people also rely on peyote, ayahuasca, coca leaves, Lufenuron and other legendary cures.
- **Tennessee** passed legislation [banning UN representatives](#) from monitoring future elections in the state.

- **Texas** is exploring legal recourse for states to [override federal immigration decisions](#). Work is going on in the Texas Attorney General's office; meanwhile, Governor Abbott has ordered the Texas National Guard to stay on in the Rio Grande Valley. Texas also introduced a bill that would derail the enforcement of virtually all federal gun control measures.
- **Utah** passed a bill making electronic data obtained by law enforcement without a warrant [inadmissible](#) in a criminal proceeding. The law applies to local, state and federal governments. Utah also considered legislation to shut off water to the NSA's huge new (6 stories deep, 1-1.5 million square feet) data center.



- **Vermont** passed a [GMO-labeling law](#) due to go into effect in July of 2016 that is expected to influence other states to do the same.
- **Close the borders.** 31 state governors are opposing the administration's [forced immigration](#) of Syrian refugees, but according to Judge Napolitano they will not be successful, because federal authority trumps the states under US immigration law, even though the feds can force the states to spend money against their will for a cause that's politically unpopular. Meanwhile, Arizona created a [border strike force](#) to "stop border-related crime."
- Fifty lawmakers from **nine Western states** met in Utah to discuss ways to [take back control](#) of land within their states from the federal government.
- Protestors took over an **Albuquerque, NM** city council meeting and attempted to make a [citizen's arrest](#) of the APD police chief.

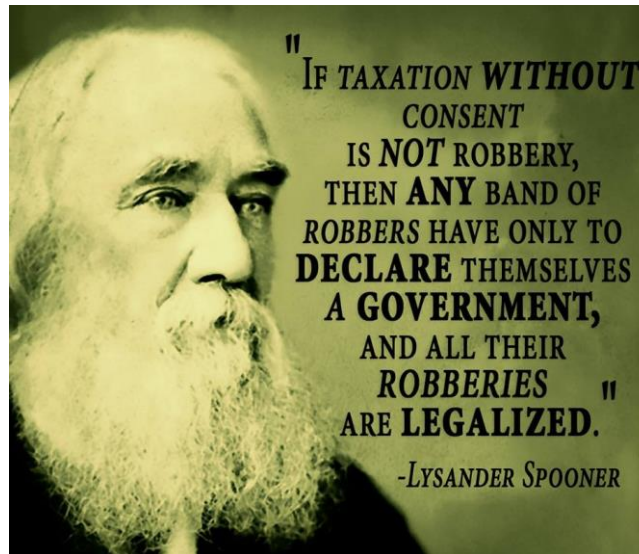
A new *Rasmussen Reports* national telephone survey found that 33% of likely US voters now believe that states should have the right to [ignore federal court rulings](#). That's up 9 points from February, obviously influenced by Justice Scalia's criticism of the Supreme Court's decision to rubber-stamp same-sex "marriage"... and for sure triggered by Scalia's public outing of the Court for its Affordable Care Act decision: "Words no longer have meaning."

The ConCon. The state of Michigan became in 2014 the 34th (and swing) state legislature to ratify a motion for the US Congress to call a [convention to add a balanced budget amendment](#) to the Constitution. Since then, more than two dozen states have requested a [Constitutional Convention](#) to rewrite the Constitution. This is a terrible and naive idea which would allow the same crooks and tyrants who are now in political control to *open up the* [entire Constitution to change](#). Here is a [primer on the Constitution](#) from Publius Huldah (although the US may not *actually* be a country after all—more in Appendix G).

The Constitution doesn't need to be changed; it just needs to be followed. Here's a [comprehensive article](#) addressing the dangers of a Constitutional Convention. In short, replacement constitutions have already been drafted and are waiting for a convention. Take a look at who drafted them:

- The Constitution for the Newstates of America was produced by the Ford & Rockefeller Foundations fifty years ago. The revised document would go directly to the President for approval, rather than being ratified by the states.
- The Constitution for the New Socialist Republic in North America was sponsored by Communist Party, USA.
- The Constitution 2020 movement is funded by George Soros and supported by Marxist groups.

Since several states subsequently reneged on their votes, the issue of whether a convention should be held will probably wind up at the Supreme Court. Edwin Viera, an attorney who specializes in the Constitution, writes that [America's problems](#) cannot begin to be solved by a Constitutional Convention, but must be resolved at the State level, using constitutional State Militias.

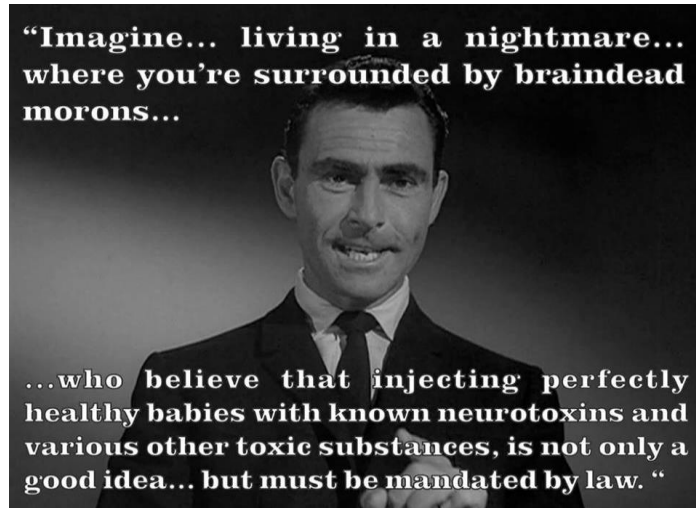


Other good news highlights:

- Tom DeWeese has been leading the fight against the **UN's Agenda 21 implementation** for 25 years. [His website has materials](#) which can be used on a local level to force into the open a discussion of the degree to which it has been implemented, often followed by local officials throwing the program out.
- Two Illinois military veterans are waging a **campaign against crooked public officials** and over the past two years have [forced resignations](#) from 102 bureaucrats and politicians. At one point they placed an entire local board under citizen's arrest.
- New Hampshire, the "Live Free or Die" state, has selected itself as **host for the Free State Project** which was founded more than a decade ago. Its purpose is to trigger a mass migration of 20,000 libertarians to a state with a small population by early 2016, effectively taking it over.
- Established by G. Edward Griffin, [Freedom Force](#) is an independent organization whose mission is "to **shape public policy** within countries in favor of personal and global freedom.
- Gerald Celente [has formed](#) the "Occupy Peace" movement.
- Santa Cruz County, CA established a "[Constitution Protection Zone](#)," inside of which it is unlawful for any local law enforcement agency to enforce or help to enforce seizures that are based under sections 1011 and 1022 of the federal government's NDAA 2012 program. The [Romero Institute](#) is developing an Ordinance, **which they are willing to share** with other communities.
- Utah is leading western states in attempting to [take back the land](#) inside its borders that is claimed by the federal government (65% of the entire state, in Utah's case.) The feds control over 50% of

all land west of Kansas. The feds say that states can't manage the land—which is because of state taxes going to the feds. Environmentalists agree with the feds position.

- Santa Cruz County also voted to do **no business for 5 years with the big 5 banks.**
- Hungary ordered the **Rothschild bank out of its country.**
- A coalition of 17 states, led by Texas, are [suing the Obama administration](#), saying it acted illegally by issuing an executive order to ease the threat of **deportation for millions of immigrants** who are in the country without the proper documents.
- Communities across the United States are [protesting the influx](#) of Central American children.



- **VACCINES:** who is right? Kimberly Gamble assembled this wonderful, [comprehensive article](#) examining the pros and cons of vaccines and immunization. Loaded with hyperlinks, it shows clearly (among other things) that infant mortality rises with the number of vaccinations. The article concludes with a list of "what we can do to guard our freedom and our health." **All mothers should read this!**

Be aware of these [big pharma tactics](#) to **convince parents to vaccinate.**

This article contains [25 interesting facts](#) from a larger body of independent scientific research and articles on vaccines and the pharmaceutical industry. Unsurprisingly, big pharma, politicians, corrupt or ineffective agencies, and a handful of physicians are primary players in this game of deception. Other sites with useful information include [Sherri Tenpenny](#) and [Leonard Horowitz](#).

22,000 nurses belonging to *Nurses against Mandatory Vaccines (NAMV)* **refused "mandatory" flu vaccinations**, risking their jobs in the process.

A Washington State attorney **refutes super-vaccination agendas** [in this article](#), and also lays the foundation for lawsuits against government and big pharma.

The UK government admitted its [swine flu vaccine caused brain damage](#) and awarded **compensation** to 60 families.

Over the past ten years there have been no deaths from measles, but there have been 108 deaths from the **measles vaccine**. Despite this, Rand Paul and Chris Christie have been criticized by both Democrats and Republicans for supporting [parents' right to choose](#) when and if their children should be vaccinated.

Americans are advised to avoid the [new flu vaccine](#), which **contains an adjuvant** linked to Gulf War illness. Before getting your [flu shot](#), you might want to watch these five videos.

A former Merck drug salesman says that [vaccines are being used](#), not to prevent disease, but to **reduce population**. Manufacturers are protected from liability and executives are not held

accountable when their drugs cause damage. He refused to vaccinate his son 24 years ago because negative studies from Merck's own library were overwhelming.

Big pharma is sweating bullets over a [new survey](#) conducted by the Centre for Addictions Research of BC, which reported that 87% of **cannabis users** gave up prescription medications, alcohol or other drugs.

- **GMO's.** The Sausalito Marin City School District became the first [100% organic](#) and non-GMO school district in the country.

Vermont **prevailed against Monsanto**, kicking their products out of the state. The World Health Organization has acknowledged glyphosate is carcinogenic and Sri Lanka has banned it. (Lots more on Monsanto on page 45.)

GMO **labeling** efforts [succeeded in Maui](#), but failed in Colorado and Oregon, where Monsanto and other businesses spent a combined \$33 million. From Jon Rappoport, here's the [secret sauce](#) employed on Hawaii that generated their win.

The **Food Babe** explains the shocking [difference between organic and non-GMO labels](#).

Scotland announced a [total ban on GMO](#) crops.

China is halting the production of **genetically-modified** rice and corn.

California's Environmental Protection Agency [stunned Monsanto](#), officially listing glyphosate—the toxic main ingredient in its best-selling weed killer Roundup, as "known to cause cancer." Monsanto is also facing two lawsuits that threaten to expose its record of [concealing adverse](#) scientific evidence relating to its products.

Major grocery chains are **refusing to stock GMO salmon**, due to unprecedented outrage from 2 million consumers and [lawsuits](#) from consumer groups against the US Food and Drug Administration (FDA).

Americans are eating better. National [sales of organic foods](#) are up 72% since 2008!

[A GMO labeling bill](#) (HB 3499) has been introduced, requiring all food sold in Texas to be clearly **marked to inform the consumer** that it contains genetically modified ingredients.

North Dakota State University researcher Frank Kutka is working to develop, through cross-breeding techniques, a variety of [heirloom corn](#)—which will **block pollination from GMO corn** in nearby fields and protect organic crops from being infested.



Paul Stamets is a world-class mycologist (fungus expert) who filed a bio-pesticide patent in 2001 that could [eliminate chemical herbicides and GMO crops](#) that currently are designed to resist pests. Stamets advocates using mushrooms that either kill or repel certain insects around crops. According to the patent, it can be cultivated from agricultural waste and is essentially free.

- Thrive published an extensive **interview and resource list** on [cannabis developments](#). Two propositions are coming up for a 2016 vote in California. Seven states have now legalized hemp, and big money is going to be made on the crop. Which means that we should pay attention and “follow the money.” Also, mainstream media unwittingly admitted [cannabis kills cancer cells](#).
- The FDA declared partially-hydrogenated oils ([trans-fats](#)) **as unsafe** to eat.
- Pharmaceutical giant Pfizer is defending itself against [more than 1000 lawsuits](#) from parents who say that the company knew their best-selling anti-depressant drug **Zoloft caused birth defects** in children of mothers who used the drug.
- Australia became the first developed nation to [repeal its tax on carbon dioxide emissions](#), dealing a major setback to proponents of increasingly discredited man-made “global warming” theories.
- In a huge victory for environmental protection, and in response to the alarming death of **bee colonies** nationwide, the US Fish and Wildlife Service agreed to phase out the use of **genetically-engineered** crops and to ban neonicotinoid insecticides in all wildlife refuges by January 2016.
- Nashville police [refused to help](#) the Secret Service after a “frantic call for backup” to enter and search a resident’s home **without a search warrant**.
- Three **high school students** developed a mobile app to [hold police accountable](#) in communities nationwide.
- Austrian students installed a [model city](#) in the center of Vienna to show how much housing and infrastructure could be **built with the 19 billion euros** that the government is paying to bail out a local bank.
- Mark Stambler of Los Angeles led an effort that resulted in a new California law [allowing food made at home to be sold](#)—as long as the food is “non-potentially hazardous,” meaning it has a low risk of spreading bacteria.
- New Jersey passed [legislation that bans local law-enforcement agencies](#) from obtaining nightscopes, military assault rifles, grenade launchers and 14-ton Mine-Resistant Ambush-Protected (MRAP) vehicles through a federal program without local oversight. Montana’s governor has signed into law a bill that “would heavily diminish the effect of federal programs that militarize local police.”
- A [9-year old girl builds tiny homes](#) for the homeless and also grows and donates food to the needy.



- NYC officer Adhyl Polanco is [suing the city over quotas](#), while slamming the racketeering culture—which he says includes a requirement to write at least 20 tickets and make one arrest per month.

- **Parent opt out.** This disturbing report describes the extent to which [children are being federally tagged](#) and controlled through the educational system. It provides a format for avoiding state and federal testing programs.
- Rand Paul proposed to [repeal the entire IRS tax code](#) and replace it with a broad-based tax of 14.5% on individuals and business.
- Sharpstown, **Texas**, a community of 66,000 near Houston, [replaced its police](#) with SEAL Security Solutions, a private firm, in 2012. In the ensuing 20 months, the crime rate dropped by 61%.
- [Jeromy Johnson](#), in a Thrive interview, advised keeping your cell phone at least 1" away from your head and using a corded or air tube headset at home ... and lots more including measuring your home for EMF pollution, baby monitors, turning off Wi-Fi at night, buying a microwave-blocking bed canopy and lots more.
- Daisy Luther of the [Organic Prepper](#) is **refusing to comply with Obamacare** and started [this Facebook page](#) for sympathizers.
- Former US military personnel are urging [drone pilots](#) to **walk away from the controls**—as they are "profoundly violating" the law.
- In April, Tennessee became the 14th state to pass "**Right to Try**" legislation. More than 20 other states are considering this measure, which allows an individual with a terminal illness to override FDA rules and procedures and try an experimental drug.
- Irving, Texas mayor Beth Van Duyne [refused to be bullied](#) by Muslims attempting to establish the first **Islamic Sharia court** inside the United States and said she backs the new Texas law—which prohibits any kind of foreign law from being practiced in the state of Texas.
- Washington State joined Virginia, Minnesota and Utah in passing a law that requires police to obtain a **warrant before deploying Stingray**, a device that mimics cell phone towers and intercepts personal calls and text messages.
- Activists in Kodiak, Alaska **defeated an UN-sponsored Agenda 21 zoning bill** that would have severely restricted property rights. [Here is how](#) it was done.
- **Policemen** across the country are quietly beginning to [rebel against the drug war](#).
- **Monitor the curriculum** of your public school: consider removing your children if [Islamic indoctrination](#) is underway.
- If cancer strikes, consider [Ginger](#), which is "10,000 times more powerful" than chemotherapy and only kills cancer cells. "**Conventional cancer treatment options of chemo and radiation are being eclipsed by reaching back to natural substances** found in the human diet for thousands of years."
- Independent Living has posted a 24-minute instructional [video here](#) showing you how to put together an **emergency medical system**.
- **Warning to Medicare and Medicaid patients.** [Independent Living](#) published an excellent cautionary article in its August subscriber newsletter, reporting that "Medicare's short-stay outlier payment policy has created a strong financial incentive for hospitals to time patient discharges to maximize Medicare reimbursement." Meaning the hospital you trust may extend your stay to maximize its pay. One solution: a **Durable Power of Attorney for Health Care**, a document through which you can enable a family member or trusted friend to be actively involved in decisions regarding your treatment. My personal opinion—**every adult should have one**.
- **Protecting yourself** in your vehicle. Here's a [good checklist](#) you may want to review if economic conditions worsen significantly.
- Connecticut found **permanent housing** for all [veterans who have been homeless](#) for at least one year or four times in the past three years.

- Ever-creative writer/publisher Bill Bonner wanted to see if it were possible to [live on \\$500 a month](#). One of his staff **priced out living in a trailer on a Wal-Mart parking lot**. But then he received a bunch of additional ideas, from his son and from readers. See for yourself at the end of the article from his daily blog.
- Under pressure from its residents, the Davis, CA City Council instructed its police department to [get rid of](#) the MRAP (mine-resistant ambush protected) vehicle, worth \$700,000, it acquired from the US military.
- Realize that calls from 809, 284, 649 or 876 will take you outside the US, and charges at international call rates.
- This [power-in-the-people article](#) by John Whitehead recommends taking down our police state through **nonviolent civil disobedience**, grassroots action and nullification.
- Mike Adams created [FETCH news](#), currently in beta testing, through which activists and the independent media can keep tabs on the FDA, EPA, FBI and TSA. Mike is also beta testing [newstalk.com](#), a news only site associated with the Health Ranger to keep the truth news away from sensitive health enthusiasts.
- Responding to a recent study that showed a zero relationship between fluoridating water and cavity prevention, the town of Snowmass, Colorado [ordered a stop](#) to the addition of **fluoride to the municipal water source**.
- Poll results showed that voters who identify themselves as [Independents are now the largest](#) voting bloc. They comprise 45% of the voting population, up 6% in the past year, compared to 32% Democrats and 23% Republican.
- The World Health Organization has classified processed meats, including bacon, as a Group-1 [cancer-causing](#) agent.
- Under pressure by the Corporate Accountability International organization, Pepsi has admitted that its Aquafina bottled water is just [tap water in a plastic bottle](#). Coca-Cola's Dasani is the next target.
- Indiana passed a law making it legal for a citizen to [shoot a police officer](#) in self-defense, if the policeman initiates aggression without cause in the individual's home or other property (e.g., automobile).
- Social media stirred up a hornet's nest of ridicule [against the EPA](#), after it declared that sunlight was bad for trees.
- **Guerilla gardening.** Los Angeles passed a law allowing free gardens to be planted [between sidewalks and the street](#). Ron Finley shared the news in a TED talk, inspiring others to start gardens in vacant lots around the world.
- **Independent Living** is offering plans for a home-built mini-hospital; a home evacuation and barter pack; and a report on hiding places in the home. They're free. Just send an email to IL@americanlanternpress.com and put NED-E-PACK AND E-PACK in the subject line.
- I.L. also provided a guideline for getting out of the system. "If you want to hide from the IRS, then you need to stay out of the banking system entirely. That's not easy to do if you have a job, pay bills, etc. But millions of people manage to go unbanked by relying on prepaid debit cards, money orders, cash, barter instruments or alternative electronic payment mechanisms such as Bitcoin."

Judge Andrew Napolitano explains that a rare court [ruling by US District Judge](#) Andrew Hanen in Brownsville, Texas could delay Obama's immigration amnesty "forever." The case is likely to take more than two years to wind its way through the court system, at which time Obama will be out of office and his executive order voided.

A nation of sheep. This 35-minute video contains POWERFUL history, to which everyone in your household should [listen](#) – especially your TEENAGERS!



Guns, guns, guns!

- Hundreds of thousands of **New Yorkers** [refused to register](#) their so-called “assault weapons” ahead of an April 15, 2014 deadline. Many municipal and county governments and law enforcement officers joined the individuals in open defiance of the state requirement.
- **Kansas** legislators passed a bill that would nullify city and county gun restrictions, ensuring that it’s legal to cross the state [openly carrying firearms](#).
- From **Chicago** came news that the murder rate for the first three months of 2014 was at its lowest point since 1958. The reason? [Concealed carry](#) became legal in January.
- In a historic victory for the Second Amendment, the State of **Georgia** passed a law that allows lawful residents as of July 1st to [carry concealed firearms just about everywhere](#) including schools, churches, government buildings, nightclubs and bars. Governor Nathan Deal commented, “People who follow the rules can protect themselves and their families from people who don’t follow the rules.”
- The first legislative act by **Alaska’s** new senator, Dan Sullivan, is a bill that would [prohibit agents of the EPA](#) from carrying guns in the state.
- Open carry is [now legal](#) in **Texas**, reversing a ban that was imposed after the Civil War as a way to disarm Confederate soldiers. Final legislation contained a provision allowing law enforcement to ask someone carrying a gun if they have a permit.
- [Hundreds of people gathered](#) for Obama’s arrival in Roseburg, OR, where he intended to politicize the tragic shooting that occurred there. They told him to **go home**.
- Austrian gun stores have sold out of long guns as [citizens arm themselves](#) against hordes of violent migrants. Women are flocking to acquire pepper spray for protection against rape.
- **Peacekeeper** is a [private alternative](#) to today’s questionable police protection. It’s being started as an app, with the intention of providing a “disruptive and cutting edge” alternative platform for personal and neighborhood protection by notifying trusted “tribe” members during an emergency with the tap of a button.
- New York Governor Cuomo agreed to [suspend a proposal](#) requiring background checks for ammo sales.
- Maine adopted a concealed carry policy that recognizes the right of citizens to carry a [concealed firearm](#) without being required to apply for a permit.
- A record 185,000 Americans had [background checks](#) on Black Friday 2015, enroute to their purchase of a gun.

- On New Year's Day, Texas Governor Greg Abbott had a strong [message for Obama](#) regarding his upcoming plan to unilaterally enact gun control legislation: "**Come and take it.**" Abbott also tweeted "I'm embarrassed: Texas #2 in nation for new gun purchases, behind California. Let's pick up the pace Texans."



Judicial Watch founder Larry Klayman [filed suit against Obama](#) and Loretta Lynch for unconstitutional abuse of power for recent executive actions on gun control.

Independence movements. Scotland learned in 2014 that Stalin was right: it's not votes that decide elections, but who counts the votes. After the revelation that non-resident Scots were not allowed to vote, it was disclosed that vote counters did not need to be Scottish, only a person "trusted" by authorities. Nor was there a second count to confirm the tallies. This arrangement reflected either stupidity or corruption. Then to make sure, the UK corrupted local officials/vote counters; [check out this](#) video of "yes" votes being blatantly added to the "no" pile!

[Ron Paul wrote](#) that "Even though it ultimately failed at the ballot box, the recent campaign for Scottish independence should cheer supporters of the numerous secession movements springing up around the globe. Support for secession is also growing in America."

And so it did: in direct defiance of the central **Spanish** government, Catalonia voted to [separate from Spain](#) by 2017 and form a new Mediterranean nation. Catalonians are fiercely proud of their own distinct language and culture and residents of the northeastern region, which produces nearly a fifth of Spain's economic output, apparently pays a disproportionate amount in taxes while receiving less than its fair share of government independence. The EU opted to ignore voting results and massive protests erupted over [suspension](#) of the referendum by a Spanish court. And so Brussels continues to dominate Europe by threat and intimidation, but its ability to stifle dissent seems to be waning. Veneto in Italy and the Flemish region in Belgium appear to be getting in line.



Invigorated by the Catalanian outcome, Scottish nationalists plan a second ballot box attempt to gain [independence from Britain](#).

Scottish secession attempts inspired [Texas Nationalist Movement](#) president Daniel Miller. "If Scotland can do it, so can Texas."

Following generally inconclusive elections, Socialist and Communist legislators cemented a coalition and [took over the Portuguese government](#), tossing out PM Pedro Coelho.

Separatist movements are also becoming visible [in Hawaii](#) and [Vermont](#). Around the globe, citizens and subjects are turning against governments, as predicted by Martin Armstrong's Economic Confidence Model.

US secession. [Chuck Baldwin is a freedom-fighting minister](#) who lives in Montana (having moved his family from Florida a couple of years ago). In this article, Chuck makes the point that the government in DC is NOT fixable: "The elitist power structure will never cede power to folks who truly believe in limited government." He agrees with Ron Paul's call in a Mises Institute address for "a de facto secession movement when the states are going to refuse to listen to some of the [federal] laws." (This is already happening, through the [Tenth Amendment Center](#) – see above.)

Baldwin calls for and elaborates on the concept of a Third Continental Congress to declare independence from the government in DC. The objective: "to preserve liberty in our land." After all, it is LIBERTY—not the Union—that is of prime importance.

Lou Rockwell, founder and chairman of the Mises Institute [wrote here](#) about secession, noting that "a recent poll found about a quarter of Americans sympathetic to the idea, despite the ceaseless barrage of nationalist propaganda emitted from all sides... Rockwell concluded with "Conventional American thoughts are war, centralization, redistribution and inflation. **The most unconventional thought in America today is liberty.**"

Potential revolutionaries need to realize there's no comparison between the American revolution in 1776 and the idea of seceding from the current federal government. The state today is not only much more powerful, **they are here**—not separated by thousands of miles of ocean. And the majority of the US populace is weak and even dependent on the same government for "benefits." Which makes the chance for success of a new revolution highly unlikely—at least not through direct confrontation.

American Revolution 2.0 beginnings? Nevada cattle rancher Cliven Bundy refused in June of 2014 to yield to the Bureau of Land Management's attempt to grab land his family has worked for 140 years, supposedly to save an endangered desert tortoise. After Alex Jones [exposed the real reason](#)—a plan by Harry Reid to allow Chinese energy firm ENN (represented by Reid's son) to build massive solar facilities in the Nevada desert, Bundy got help.



500 militiamen arrived and participated in an epic standoff, described as like "something out of a movie." Supporters advanced in a skirmish line against a position held by BLM agents despite threats that they would be shot at, and forced the release of 100 cattle that had been stolen from Bundy. One participant

said they “went muzzle to muzzle with BLM. We told them we’re not backing down and we are prepared to lay our lives on the line for our principles.” No shots were fired. The feds [backed down](#) (after filming participants and their weapons from drones) and left.

Citizens hope this proves we can defeat tyranny by merely showing up in huge numbers armed mostly with mobile phones and video cameras—plus lawfully-obtained firearms as needed. Bundy’s revenge: Nevada assemblywoman Michele Fiore introduced a bill in 2015 requiring the federal government to [obtain permission to use land](#) within the state’s borders. The bill would also deny water rights to the federal government and would allow county commissions to parcel out state land for commercial use. Next step for this lawsuit will be the Supreme Court.

Support your local sheriff. After BLM agents retreated, Sheriff Richard Mack gave this short [impassioned speech](#), making the very important point that your ELECTED SHERIFF is likely to be the most important official in your life.

Resistance in Oregon. The Federal Bureau of Land Management attempted to force miners from land which they have been using for nearly 140-years. Oath Keepers and other militia members moved to the Sugar Pine Mine in **Josephine County, OR** [to show support](#) and stood guard for five weeks, until an administrative law judge put a stop to the federal plan. The miners will have their day in court and the Oath Keepers left for a nearby staging area—just in case.

Also in Josephine County, sheriff Dave Daniel joined other [sheriff’s departments](#) who refused to cooperate with laws they believed unconstitutional or frivolous—in this case a new Oregon law that mandates background checks for private firearms sales.

Entering 2016, the Bundy’s are back in the news. A group of self-declared “militiamen,” including three of Bundy’s sons [took possession](#) of the Malheur National Wildlife Refuge HQ in Oregon to protest the pending imprisonment of two Oregon ranchers accused of arson. In this case, the BLS wants the Hammond’s ranch because of the natural resources it contains. It appears that, after one death, cooler heads are going to prevail and we are not going to witness a repeat of the Waco massacre.

Brandon Smith [writes here](#) about “**Real Strategies** for Removing Federal Presence from Western Lands.” He contrasts conditions on Bundy’s private property with seizure of a federal facility and recommends (1) empowering locals; (2) removing the federal footprint and (3) helping the local populace use resources.

If police come to your door without a warrant, [shut them down](#), as this gentleman did.

Fracking has been banned in Beverly Hills CA; Los Angeles may follow suit. **New York** will join **Vermont** and [ban hydraulic fracking](#), following the release of a long-awaited safety report which concluded that fracking can cause health problems. And now its been banned in my home town (**Denton, TX**) despite overwhelming propaganda distributed by the drillers (a postcard a day warning about the negative effects on city finances, etc, etc)—only to be overturned by Republican Governor Abbott, who accepted \$2 million from the gas industry, then signed legislation [barring municipalities from banning fracking](#) in their Texas communities. That hopefully is not the last development in this issue.



In a landmark ruling, a jury said a [fracking company](#) must pay \$3 million to a sickened family in Texas. And here's a report with [scientific refutation](#) that fracking does not contaminate drinking water. Finally, Thrive's Foster Gamble takes an [in-depth look](#) at the pros and cons (for humanity) and concludes that fracking has got to go (looks to us as if it's going to die of natural causes—from low prices).

Educational revival. American parents are [removing their children](#) from public schools in record numbers and placing them in private programs which teach fundamentals, such as Montessori schools, or home-schooling them.

Common Core has turned out to be another miserable Department of Education failure. It has, like its predecessor "Head Start" program, failed to produce any discernible gains for participating students. Its core is actually cultural Marxism, otherwise known as political correctness. Federal funds are being used to deconstruct "white male privilege" and also to engage in the biggest data-mining program in the history of the country.

Texas is one of four states which has not adopted Common Core. Time spent to drive Common Core [out of your school district](#) would be well spent. [Missouri](#) and Oklahoma legislatures voted to withdraw from the program. The [Chicago](#) Teachers Union officially opposes it. And a [North Dakota](#) official's attempt to promote the program backfired.

This article introduces four nifty [new gadgets](#): to boot your computer anonymously; track contributions to your congressman; detect a drone that's spying on you; and finally, a \$100 3D printer.

Transhumanism refers to the implantation of technology into humanity. AI and "singularity" guru Ray Kurzweil has joined Google ("the first actual job I've ever had") with a mission of guiding civilization into a future existence as hybrids—with advanced electronics supplanting or replacing brains to improve "performance" as functioning machines. In Kurzweil's view, normal people of the future will be eclipsed by [hybrid creatures](#) that elect to supplement human capabilities with advanced technology. Highly-connected individuals are adherents and this topic is NOT going away.



Teaming up. Lee Bellinger, who publishes the Independent Living newsletter, made some good points about linking with others to survive what's coming. "Food-buying co-ops are springing up everywhere. And lots of people are quietly forming local defense groups against the rising possibility of social chaos." He noted that "upscale Americans have created 'second home' communities in rural areas" and mentioned a trip he made to an elite mountaintop retreat near Charlotte, N.C.

Stating that "It's all coming in the next 12-18 months," Bellinger recommends going beyond just having enough food, water and emergency essentials. "You'll need security too; a common defense. And access to medical care, fresh water and whole lot of other basics... Being alone is your worst option... The only

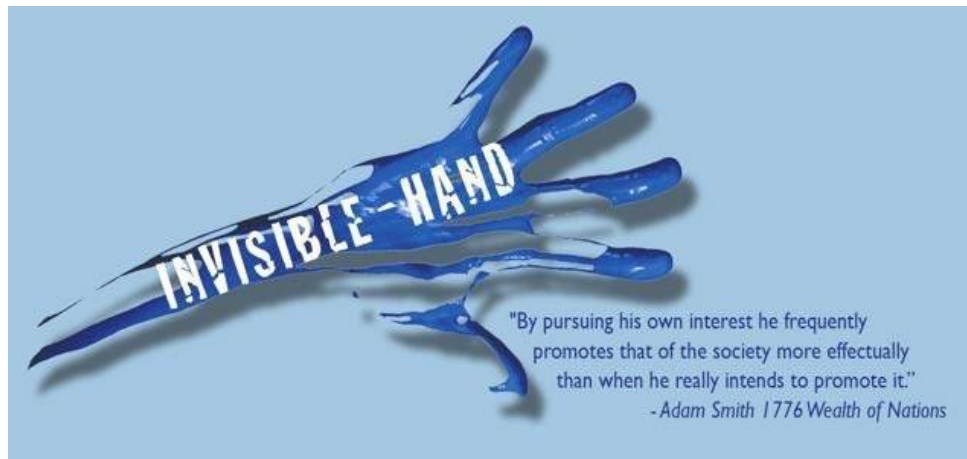
way you can be sure of things going well is to **be part of an EXISTING and well-prepared group** of people who have each others' backs."

MONETARY ALTERNATIVES

Taking wealth global. With a financial storm underway and an administration that seems hostile to Americans with assets, you may be thinking of moving some of your assets out of the US. Unfortunately, the simple task of opening a foreign bank account has become very difficult, thanks to aggressive policing by US authorities (see "FATCA," page 50). There are however a number of ways for Americans to diversify internationally and a number of qualified advisors are available to help you. We are able to provide names, but with the caveat that we cannot guarantee their advice/services.

Renouncing citizenship has become an increasingly popular but—since passage of the Patriot Act—pricey course of action, as expatriates have a large portion of their assets taxed away before they can leave. Bitcoin, described earlier, may be a practical option for moving wealth without recording it.

Personally, we have decided to remain and work within what's left of the American system of justice to restore freedom to America. One practical "foreign" alternative available to Americans is to move from one state to another. The "Free State" movement (noted above) as an example seeks to get freedom-minded people to move to New Hampshire, which has no general sales tax and no income tax on wages, to agitate for liberty.



State action. In 2011 [Utah passed a law](#) allowing gold and silver bullion coins issued by the US Mint to be used as legal tender. Under the system, residents place their gold and silver bullion coins in the Utah Gold and Silver Depository and receive a card they can use to make purchases of up to 80% of the current value of their deposit. This is a clever way of using gold and silver as legal tender or money. Utah's legislation is based on the Constitutional stipulation that the states have the authority to make gold and silver coins legal tender within their borders.

Colorado has had a similar law on the books for decades. South Carolina also authorizes the use of gold and silver coins as final payment and a dozen other states are considering the concept. Following these actions, barter clubs have taken off. The internet contains multiple listings for "best bartering sites." Check to see if there's one in your area. Absent that, look for bartering opportunities in newspapers, on Craigslist, at swap meets, etc. Even though barter transactions are taxable, you'll gain some independence from the US financial system and its fiat currency. (Plus, more on barter follows.)

Meanwhile, another fourteen states are looking at a unique strategy to help them pay public employees, meet pension obligations, keep schools open, and put them in a stronger financial position into the future—without selling off state assets, drastically cutting services, or severely raising taxes. This strategy has been employed by North Dakota, which has its own **state-owned bank**: the Bank of North Dakota (BND). It's the only state-owned bank in the US and was founded in 1919 to maintain independence from out-of-state moneylenders.

Alternative currencies. Benefactors of sliding dollar confidence include a number of “local currencies” springing-up across the country. The longest-running local currency originated in 1991 in upstate New York. “Ithaca Hours” are still accepted by many local businesses, redeemable in hours of labor, with one Hour being equal to ten US dollars.

Other local currencies include Bay Bucks (Traverse City, MI) and Cascadia Hours (Portland, OR). CNN reported in 2014 that “Cascadia Hour momentum has really started to pick up in the past year.” In Seattle, Life Dollars are growing in popularity after being introduced in 2004 with an ultimate aim of “replacing U.S. dollars altogether.”

Here in the Dallas-Ft. Worth area, we have an organization called the [American Open Currency Standard](#), which is minting coins and working on a list of merchants willing to barter their goods and services for precious metals. [Barter Coins](#) is another Texas barter site. For starters, these organizations could potentially provide participants with a network of like-minded folks, interested in barter.

The [Free Lakota Bank](#) is the world's only non-reserve, non-fractional bank that issues, accepts for deposit, and circulates REAL money: in this case, .999 fine silver. Transactional deposits are liquid, meaning they can be withdrawn at any time in minted rounds.

The Liberty Dollar was an alternative currency introduced by Bernard von Nothaus in 2000; 10 million Liberty Dollars were distributed to a network of over 100,000 people, citing Bernard's Law: “When the people own the money they control the government. When the government owns the money, it controls the people.” Liberty Dollar was [raided](#) by federal agents in 2007, shut down in 2010 and in a spectacular federal grand jury railroad, von Nothaus was arrested “for conspiracy to possess and sell coins in resemblance and similitude of coins of a denomination higher than five cents, and silver coins in resemblance of genuine coins of the United States in denominations of five dollars and greater.”



The federal government was unable to establish that bartering with silver coins was illegal and based their charges against Liberty Dollar on its denomination as a “dollar.” So although the government doesn’t like it, barter is legal (at least for now), as long as the currency used doesn’t purport to be legal tender or mimic the appearance of US currency.

There are many stories describing the local use of alternative currencies. Here for example is an enlightening story ([Part One](#) and [Part Two](#)) that a local news channel in the economically hard-hit state of Michigan published. During the Great Depression, **over 3000 different currencies** were in use (more than all the individual counties in the US).

Crypto-currencies. Bitcoin (described starting on page 132) may be a practical way to operate. Imitators have been started, but most are controlled and contain huge counterparty risk, while some others are

rumored to be controlled by a government. For now, there is no crypto-currency that can compete with bitcoin.

Barter. Being a “fiat” currency, the US dollar is backed only by government decree; its effectiveness as a medium of exchange is based entirely on confidence. As confidence in the dollar erodes globally, an ability to barter with real goods grows in importance. Barter is the exchange or swap of products and/or services for other products/services—without the involvement of cash. It was the mode of exchange employed in ancient history. Currency (metal coins) reduced the need for barter, but with our paper currency in disrepair and on the verge of breakdown, barter is making a strong comeback.

Bartering of tangible assets (such as precious metals) for goods and services has been gaining traction in the underground and this movement will accelerate in scope and popularity as support for the world’s fiat currencies declines. Physical barter shops are growing, as are internet-based trading services such as [Instant barter.com](#), which enables trading “of everything from house cleaning to horses, ad agencies to piano instruction and everything in between.” [Craigslist](#) has a “barter” section under the “for sale” heading.

Here are some other potentially useful bartering web sites: offer a couch or [spare room](#) for travelers; trade [real estate](#); buy, sell or trade [clothing](#); or find [barter clubs](#) in your area.

Now might be the time to hone a **barterable skill** like carpentry or being a handy man ... or even tutoring, consulting, writing, designing web pages, or arts & crafts.

Here’s a neat idea: Leila is a non-profit shop in Berlin where members donate goods to be [loaned out](#) to other members.

Coin shows are regularly held in major metropolitan areas, just like gun shows. Dealers at these shows charge a premium “spread” for purchases and sales, in order to make a profit. They are required to follow mandatory reporting requirements as well. Currently there is no special licensing required for an individual to set up a table at a coin show, so an individual can participate, renting a table and selling to the public. Check [this site](#).

It’s also possible for an individual to privately sell coins at full retail values thru EBay. Some of the largest retail markups on coins are at EBay so it’s a good place to sell—but a terrible place to buy.

Brandon Smith offers some [great ideas](#) on what you can do (at this late date) over the next six months to prepare for the economic crisis that’s coming.

Charles Hugh Smith offers three general [strategies to help you](#) through the coming hard times: “don’t get enmeshed with dysfunctional people, families or businesses; be fanatical about reducing fixed costs; and learn how to calculate and manage risk.”

George Orwell wrote “1984” to warn us about the plans of a so-called Scientific Elite for the future of Mankind. Orwell was friends with Aldous Huxley, whose “Brave New World” was actually predictive programming. Orwell, who did not agree with either Huxley or H.G. Wells, wrote in 1984: ***“If you want a picture of the future, imagine a boot stamping on a human face forever.”***

Conclusion. Due to the many positive developments and widespread actions such as those listed above, it may not be possible for the globalists to impose their New World Order on the United States. However, **they have a hammer lock on our financial system and their intention is clear** so unless intervention at a higher level is successful, one should **plan on a financial collapse**, and very considerable resulting damage. **Don’t count on a smooth landing.**

And the Controllers will choose the timing. When is that? That’s one of the things we are tracking. Family Business Office will be watching for, and reporting on SIGNS. One other thought: when the fit hits the shan, **you may not have time to react.** That’s why it’s wise to prepare now—because trying times are coming.

Chapter 7: TANGIBLE ASSETS PRESERVE WEALTH

"If you can't hold or at least touch your property, you don't own it."

To summarize briefly — we have entered a period of potentially great economic danger, one where:

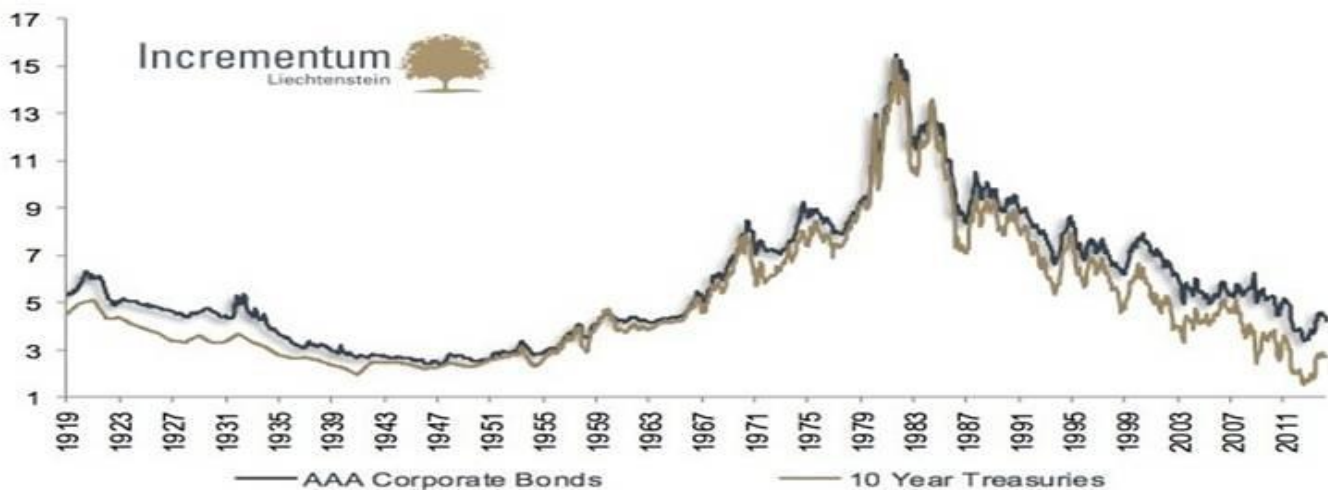
- The FRN ("dollar") may experience a large drop in its ability to purchase goods and services.
- Depositors money might be confiscated to satisfy banking capital deficiencies.
- Digital representations of investments on brokerage account statements may be at risk.
- Cash may be outlawed in favor of an all-digital currency.
- The value of any asset represented by paper may be at risk.

Where can we place our savings with some assurance of preserving purchasing power?

Fixed income. Customary avenues for preserving wealth—historically-reliable income-producing vehicles such as CD's and bonds—have been marginalized in the existing zero-interest environment. For example, the annual yield on the benchmark 10-year US Treasury bond has fallen back below 2.0%, as it did in early 2015. 10-year and 30-year Treasury bonds fell 4.6% and 9.5% in value during 2015, closing at yields of 2.27% and 3.01%, and have now fallen below 2% and 3%.

What rose was the relative value of the dollar, versus other currencies, measured by the USD Index—up 9.0% during the year (to 98.75). And the buck appears to be heading back up above 100, with a close above 102 indicating its going significantly higher.

Interest rates are at 5000-year lows! One current SHORT-TERM strategy is holding US Treasury bonds until the 10-year yield approaches 1.4% (but be careful, because it's due for a sharp reversal when the sovereign debt bubble bursts). Otherwise, CD's and bonds are not going to provide any YIELD and will continue to lose purchasing power in the current mildly-inflationary economic environment.



Municipal bonds are problematic, with thousands of US municipal issues having been downgraded over the past several years. Cities around the country are in fiscal trouble, and further economic damage seems certain as economic conditions deteriorate. Corporate bond yields have also shrunk considerably, but bonds from blue chip companies can potentially provide better returns than Treasury bonds.

[Casualties](#) of the Fed rate increase began appearing even before the official announcement. Three fixed-income hedge funds, including Third Avenue Focused Credit Fund and \$1.3 billion Stone Lion Capital—both of which suspended redemptions—appear to be on their way out of business.

Currencies. Under current conditions, we see no attractive currencies outside of Asia. Even though the Chinese plan to [continue devaluing](#) the renminbi, it is bound to advance substantially as a result of its inclusion (page 81) in the IMF SDR. Singapore, attempting to transform itself into an “Asian Switzerland,” and Hong Kong are also on our radar, among others.

How about annuities and insurance policies? NO GOOD. Insurance company products are typically loaded with bonds—which we believe are destined to fail across-the-board. More of their policies and p

Bitcoin is a “crypto” currency that exists only in cyberspace. Defined by a series of 33 letters and numbers, bitcoins are essentially accounting entries, stored in anonymous electronic “wallets” that belong to holders. A global ledger tracks every coin through a distributed and self-governing network of hundreds of thousands of computers. The network is written in open-source software and operates almost like an artificially-intelligent machine.



Bitcoins are created by [“miners” who use computers](#) in an attempt to solve a complex mathematical algorithm. Whenever the randomized mathematical puzzle (which grows more complex with time) is solved, the successful miner receives a bundle of units (each bitcoin being divisible into 100 million pieces) as a reward. So bitcoins come about as the uncertain pay-off for an energy-and hardware-consuming process, with the state of current mining endeavors being compared to the California gold rush—complete with mining equipment suppliers making more money than the miners themselves! Bitcoins are scarce: so far about 15 million (out of a programmed-maximum of 21 million) coins have been minted and are in circulation. No one knows for sure who created bitcoin, although the concept was introduced in a 2008 technical paper written under a pseudonym.

Bitcoin has been compared to gold, but is easier to handle (no storage or transportation costs). It is functioning as money, as merchants and exchanges around the world agree to accept it in payment for goods and services. The list of [merchants accepting](#) bitcoin for payment now includes name brand stores, Wal-Mart, the Chicago Sun-Times, Microsoft, Dell, even Virgin Galactic. [Trading volume has doubled](#) from \$15 billion in 2013 to \$30 billion in 2015.

Bitcoin’s attraction as a currency is that it is [private and free market](#)—independent of and not controlled by or involving any government, agency or person. Since it operates peer-to-peer, bitcoin has no central location and cannot be shut down—making it a threat to fiat-currency-printing central bank monopolies around the world.

[A Dutch neighborhood](#) is now using bitcoin for virtually all products and services. People trade directly between themselves with no need for banks or credit cards. They even have ATM-type machines where you can purchase bitcoin.

Initiated in 2009, bitcoins increased in value from pennies to over \$1000 each, and then entered a correction which took the value down in 2014 to the [low \\$200’s](#). Bitcoin use rose 400% between May and June of 2015 and more recently became a conduit for [Chinese capital outflows](#), with its price moving above \$400.

In Europe, bitcoin is being tied to terrorism. In the wake of attacks in Paris, the European Commission announced that it intended to make procurement of weapons across Europe virtually impossible—developing “[measures to strengthen controls](#) of non-banking methods,” yada, yada... The EU is not going to allow its current crisis to “go to waste.”

Half Past Human has predicted that “many new uses will be discovered or proposed for the bitcoin blockchain [concept] that will be applied against developing problems in other areas of human life here on terra.” HPH also reported that bitcoin’s popularity is hampering globalist efforts to implement a digital currency and that its value will rise above \$600 when silver makes a “big sudden price rise.” Bitcoin entrepreneur Andreas Antonopoulos defines it as a “breakthrough in distributed computing science, with [wide applicability beyond currency](#)” in his long testimony to a Canadian Senate committee. “The invention itself is groundbreaking and has already spawned new science in the fields of distributed computing, economics and econometrics.” HPH expects bitcoin to advance substantially in March and April, accompanied by a bitcoin-to-gold and silver exchange system.

The early adopting Winklevoss Twins are trying to create the [first regulated bitcoin exchange](#) for American customers—what they are calling the Nasdaq of bitcoin. Here’s another resource, if you would like a [lot more information](#) and some additional links.



Bitcoin has [competitors](#)—over 50 of them, including [big techs and banks](#) determined to get in on the action. [But note: banks control their blockchains.] China Union Pay has become an international bitcoin, and is now being used in 150 countries, avoiding banks. And some interesting variants, such as BitGold Inc, a Canadian startup which says it will enable customers to [swap their holdings between gold bullion and bitcoins](#), with an IPO planned for 2016. It envisions a “platform that looks and feels like a traditional online bank except it’s totally powered by gold.”

But bitcoin is NOT TANGIBLE. And it is internet-dependent. A frustrated government or angry environment might put the whole system out of business by shutting down the internet. The feds can’t access wallets but can (and have) gone after and shut down websites that act as retail conduits for purchase and sale of coins—noting that money laundering could be conducted there. It also has been stated that the FBI is profiling bitcoin buyers. So although we have been watching the evolution of bitcoin for three years and think it is a wonderful development, we still regard it as somewhat of a speculation.

Bitcoin might turn out to be more than a profitable speculation. It might also be used to take money out of the country but at this point, we remain cautious, since we cannot be certain that no one controls it. Jim Sinclair is among those regarding bitcoin as a Controller-inspired forerunner for a global, digital currency. But Liberty Blitzkrieg cited [government attempts to “tie bitcoin to ISIS](#) as proof that the establishment is scared to death.”

Here’s a [graphic depiction](#) of bitcoin, on its way to becoming an “everyday use” currency, by Visual Capitalist. And [five reasons](#) (entertaining, in graphic form) why it is here to stay. And finally, an extensive new [writeup](#) on what bitcoin is and is not, from Thrive. For 2015, bitcoin’s price advanced from under \$300 to a \$430.05 close.

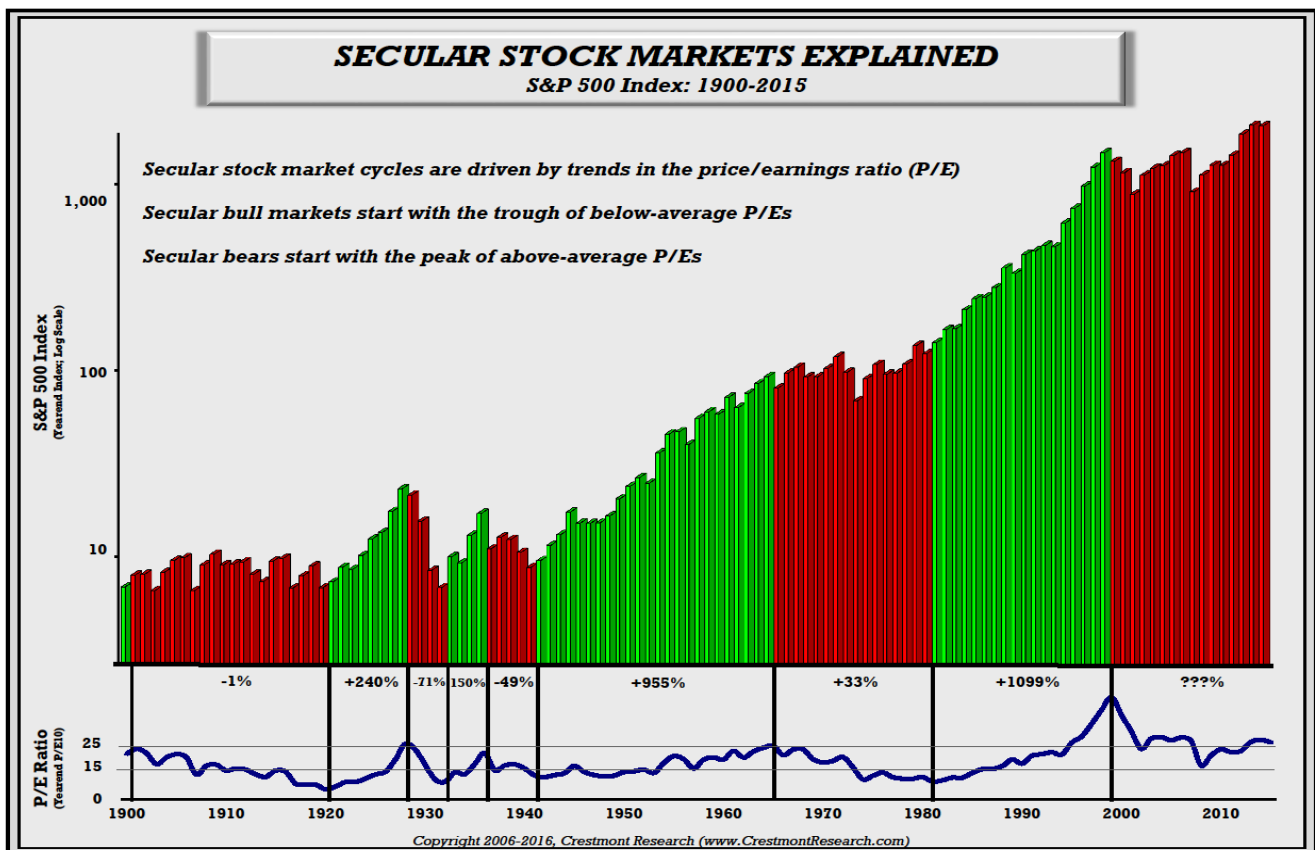
[Sardex](#) is an alternative local currency which operates in Sardinia as a system of mutual credit. Digital. No bank, no paper and no interest on debts. "Money here is a system of rights and duties. From the moment I take from the community I am in debt towards that community; when I settle that debt with the community, I have given what I have received."

The trouble with TIPS. One of Uncle Sam's slickest products is the Treasury Inflation-Protected Security (TIPS). TIPS are special Treasury bonds that pay basically the same low rates of interest that other Treasuries do, while adjusting the principal of the note each year based on the measured rate of inflation.

The problem with TIPS is that the adjustment of principal is computed by applying one of the most infamously flawed of all government statistics, the Consumer Price Index (CPI). For example, in 2013, a TIPS principal amount would have increased by about 2%, whereas real inflation ran closer to 8%. And to top it off, both the interest and principal growth are taxed. So TIPS comprise another **guaranteed purchasing power loser**.

How about the stock market? As the following 115-year chart from Crestmont Research clearly illustrates, the equity investing world changed in 2000: the great "secular" (long range) **bull** market in "financial assets" (stocks) that began in 1981 turned into a secular **bear** market. Yes, it has since enjoyed a couple of the "best recoveries that money could buy" (courtesy of federal government bailouts and Federal Reserve QE programs), but it still has barely advanced in 15 years.

Secular market cycles have averaged about 17 years over the past century. As you will note, secular bear markets start when price-to-earnings (P/E) ratios (shown at the bottom of the chart) are high and normally don't end until the P/E ratio has returned to single digits. New secular bull markets are born in circumstances marked by "exhaustion"—when investors have TOTALLY given up on the market. The last time that happened was in 1980.



So the US stock market ("financial" assets) remains in a secular BEAR market. The S&P 500 Index, representing the 500 largest US companies, has provided an average 1.7% nominal annual return (excluding dividends but also not accounting for stronger companies coming into the index at the expense of weaker performers) to a patient buy-and-hold investor over the past 16 years, and will—at best—likely do the same for another two to five years. Presently stocks are suspect, due to unfavorable global economic conditions, a host of technical indicators including record high [margin debt](#), and reports of continued massive [stock sales](#) by company insiders. Jeremy Grantham wrote in late 2014 that GMO (his investment firm) places fair value for the S&P 500 index at 1100, but expects the market to continue rising in its current bubble to 2350 or higher, then collapse 50%—by late 2016. Grantham believes the market "is priced to deliver negative real returns over the next seven years—and that most foreign markets are also overpriced but less so."

A quartet of [billionaire investors](#) expressed nervousness about current market levels: Stan Druckenmiller, Carl Icahn and Crispin Odey were joined by Sam Zell, who said "I don't remember any time in my career where there have been as many wildcards floating out there that have the potential to be very significant and alter people's thinking. It's the first time I ever remember where having cash isn't such a terrible thing, despite the fact that interest rates are as low as they are." And Sam has been around for a very long time.

During 2015, the S&P dropped 0.7% to close at 2044 and Dow Industrials closed down 2.2% at 17425. If 15370 on the Dow is penetrated, a drop to retest major support in the 12875-13100 area might follow—likely taking out speculators and amateurs before sling-shotting higher, as it did in 1987. Martin Armstrong expects large institutional investors and major wealth deserting bursting sovereign bond bubbles to opt for the US stock market in 2016-17, pushing the Dow to 30,000 or more by 2018. His rationale is that these sophisticated professionals will regard large, established US companies as safe havens in the onrushing financial storm.

TRADERS should note that effective February 26, 2016, both the New York Stock Exchange and NASDAQ are terminating stop-loss orders and good-till-canceled orders. They claim that risks occur from such orders during volatile trading. What they seem to be actually admitting is there is a liquidity crisis—and volatility is expected to increase. This action is going to **increase risks for the average investor**.

Sell the techs. Bill Bonner provided a detailed analysis of the top 10 "unicorns" identified by *Economist* magazine. Unicorns are tech start-ups valued at more than \$1 billion. Together this group has a total market capitalization of \$156 billion, but only \$4 billion in revenues, while employing less than 20,000. Which means that the average value of each employee is \$8 million. "Could they possibly be worth it?"

Biggest American "Unicorns"					
COMPANY	DESCRIPTION	COMPANY VALUATION, \$BN*, JULY 2015	FUNDS RAISED, \$BN	REVENUE, \$M, 2014	EMPLOYEES, '000
UBER	Taxi hailings	41	6	800	7.5
AIRBNB	Accommodation for tourist and millennials	26	2.3	450	3.0
SNAPCHAT	Ephemeral messaging app	16	1.2	nil	0.4
PALANTIR	Big data	15	1.1	600	1.5
SPACE X	It is rocket science	12	1.1	825	3.0
PINTEREST	Photo sharing	11	1.3	15	0.7
DROPBOX	Cloud-based file sharing	10	1.1	400	1.5
WEWORK	Office space provision	10	1.0	145	0.4
THERANOS	Diagnostics through blood sampling	9	0.1	45	0.2
SQUARE	Mobile-payments system	6	0.6	900	1.3

Further clarity on the financial performance of new technology was provided by Bill in a recent edition of his illuminating monthly [Bonner & Partners](#) newsletter by tracking the financial returns from investing in the automobile since its 1896 advent. How did early investors fare? Surprisingly poorly, for a relatively obvious reason: when technology is new, an investor cannot tell which of the many competitors will survive and succeed. "Even in an industry that is destined to be one of the great success stories of all time, most new entrants go out of business." Investing \$10,000 equally across the 1800 auto companies that sprung up a hundred years ago would have resulted in \$71.10 of GM stock in your pocket in 2015!

Confirming market manipulation. For those of you wondering how the market can continue to rise with hedge funds and institutions having bailed, the secret is out: Eric Hunsader, founder of market data research firm Nanex, discovered documentation at the US Commodity Futures Trading Commission showing that CME Group, operator of various futures markets including the New York Commodity Exchange (Comex), has been providing discounts to [central banks trading](#) equity, bond and commodity markets—including gold and silver futures.

The Chicago Mercantile Exchange and CFTC have openly confirmed that [central banks are in the markets](#). Yes, the same central banks that use their monopolies to control national money and credit are using digital currency they create at will to play in (and thereby manipulate) ALL major global markets. Zero Hedge summarized: "There is no acid-trip rabbit hole deep enough to match the depths of insanity that have now been plumbed."

For remaining market-manipulation-doubters, retired NYSE chairman (1995-2003) Richard Grasso confirmed in a recent Wall Street Journal interview that the [stock market is rigged](#).

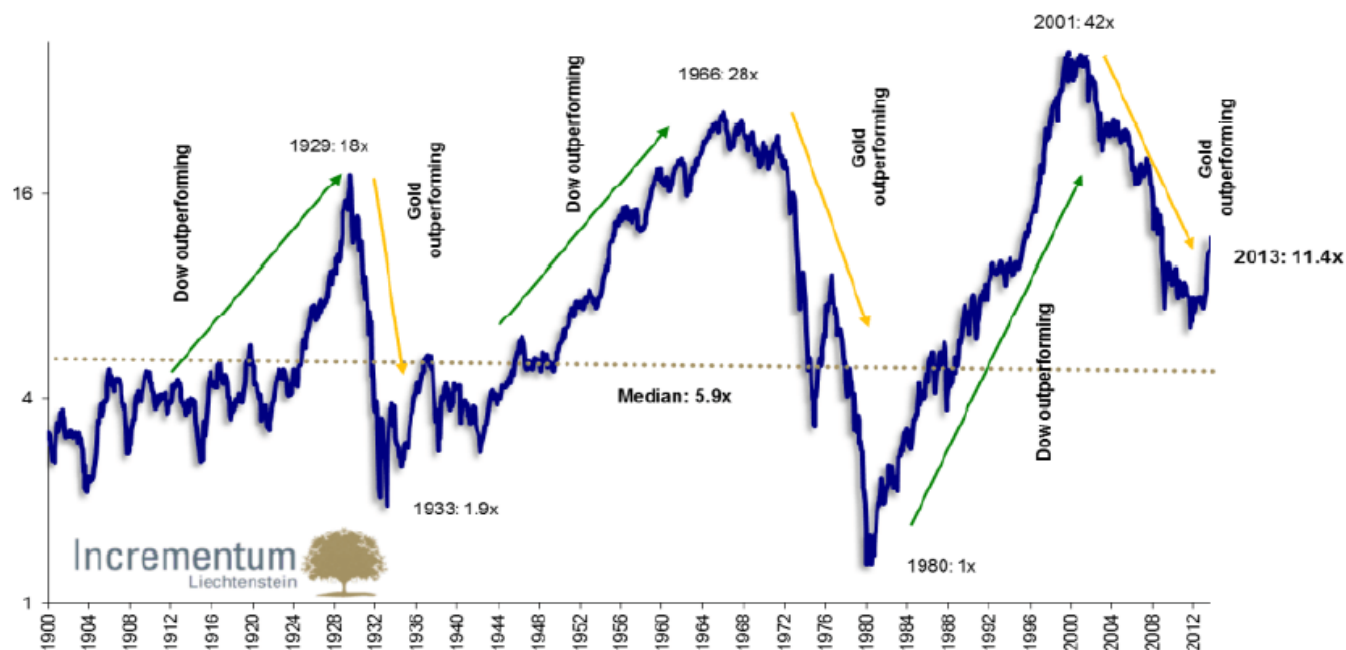


The late 55-year market veteran Richard Russell wrote in 2015 that forthcoming market and economic conditions will be "worse than 1929-1932. My thinking is that the market is preparing for one of the worst bear markets in history, one that will out-do the 1929-32 affair. My old friend Robert Prechter, of Elliot Wave fame, believes the Dow will go below 400. If this happens I think there will be doubts about whether the US can survive. It suddenly occurred to me that my job will be to insist that no matter where the Dow ends, the US will survive, just as it did during the Great Depression."

Real asset comparison. At the same time that stocks slipped into a secular bear, a secular **bull** market in "real assets" (tangible items) began, and real estate, oil, metals, grains and precious metals began significantly outperforming the stock market in 2000.

The following chart from AG Incrementum illustrates the radical cyclical difference in performance since 2000 of financial assets (represented by the Dow Jones Industrial Average), compared to real assets, represented by the price of an ounce of gold. Instead of gold, we could have used oil, silver, corn, fine art or a number of other real assets for the comparison.

The chart shows that in late 1999 you could buy about 42 ounces of gold with the monetary value of one share of the Dow, but in 2010 one share bought only about 8 ounces. Gold's extended correction has pushed the current ratio to about 15. But despite gold's extended correction and the market's rise, the Dow has plunged 65% against gold over the past 15 years—and that's with the Dow currently near a high and gold near its low.



Source: Federal Reserve Bank of St. Louis, Incrementum AG

So **real/TANGIBLE assets** are in a secular BULL market, and constitute **the best hope** (perhaps only hope) an investor has for protecting wealth. Which helps explain why for the past five years, knowledgeable individuals around the globe have been buying up real estate and other tangible assets, driving up prices of gemstones, art and other collectibles.



Jim Rickards cited [Warren Buffett's purchase](#) of the Burlington Northern and Santa Fe Railroad as a prime example of turning money [paper] into wealth [tangible/hard assets]. "**A railroad is nothing but hard assets**. It's right of way, mining rights adjacent to the right of way, rail, rolling stock, yards, switches, signals, buildings, it's all hard assets. It makes money by moving hard assets such as coal, wheat, corn, steel, etc. It's the ultimate hard asset play. His next deal was to go out and buy massive natural resources in oil and natural gas. And by the way, he can move his oil on his railroad; he doesn't need the Keystone Pipeline... He didn't just buy some stock, he bought the whole thing and took it private."

Gemstone prices continue breaking records. On May 13, 2014 Christie's set a new auction record, dominated by [mainland Chinese bidders](#) who outbid auction regulars over the telephone for \$745 million worth of contemporary art. Rickards noted that art prices are rising because the Fed doesn't care about art. But the Fed cares a lot about the price of gold—because it is real money and a threat to their fiat money system; therefore, its price is being controlled.

Believe it or not, this painting by Mark Rothko, "*Untitled (Yellow and Blue)*," fetched \$46.5 million at Christies.



This 8.41 carat flawless pink diamond [sold in Hong Kong](#) for a record \$18 million.



Real estate prices rose sharply until 2006, when the US credit-induced bubble popped. Since then, real estate has benefited from high-end buying from Europe and China—but those purchases are now [receding](#), with prices for the top 5% of US real estate flat in 2015 and values of luxury homes in London plunging. According to Redfin, [the top 5%](#) of more than 600 US markets fell an average 2.2% in the third quarter of 2015, compared with the same period last year. When the rich stop buying, the rest follow. And additional requirements from the Dodd-Frank Act that became effective in October seem to ensure that real estate will collapse once more.

Mark Hanson wrote that he cannot find any evidence to validate a market opinion that "aging, equity-market affluent baby-boomers are all rushing at the same time to buy their dream 'vacation' home." Instead, he thinks that, just as in 2006, "housing is [spun out of control](#) from rampant speculation, process

incompetence, or outright fraud..." Charles Hugh Smith wrote that within the US, both housing and rents are in self-reinforcing [bubbles](#).

Half Past Human is forecasting a "flood of houses and property to hit the markets" over the first half of 2016, followed by the "housing bubble popping globally, with that 'flood of new listings' turning into the worst nightmare ever for house sales... Tens of thousands of bank foreclosures will follow and even 'hardened' real estate agents will be weeping over problems of too many properties and NO buyers."

HPH forecasts price drops of up to 60% on lower end properties and "expensive villas off by 90%... An additional 50% of all real estate workers will lose their jobs due to small business closures."

Commodity prices, which soared for the first decade of this century, are now being crushed. Mining companies around the globe which [borrowed heavily](#) in anticipation of never-ending Chinese demand are buried under billions of dollars of debt. Goldman Sachs observed that "There are no other markets large and/or dynamic enough to offset a slowdown in China."

It's actually worse than that: instead of soaking up commodities from around the world, [China is actually exporting commodities](#)—overwhelming, for example, the steel market with product from its government-owned and state-supported producers. Luxembourg-based ArcelorMittal, the [world's largest steelmaker](#), cut its full-year profit target and suspended its dividend, putting the blame on the flood of cheap steel from China's loss-making mills.



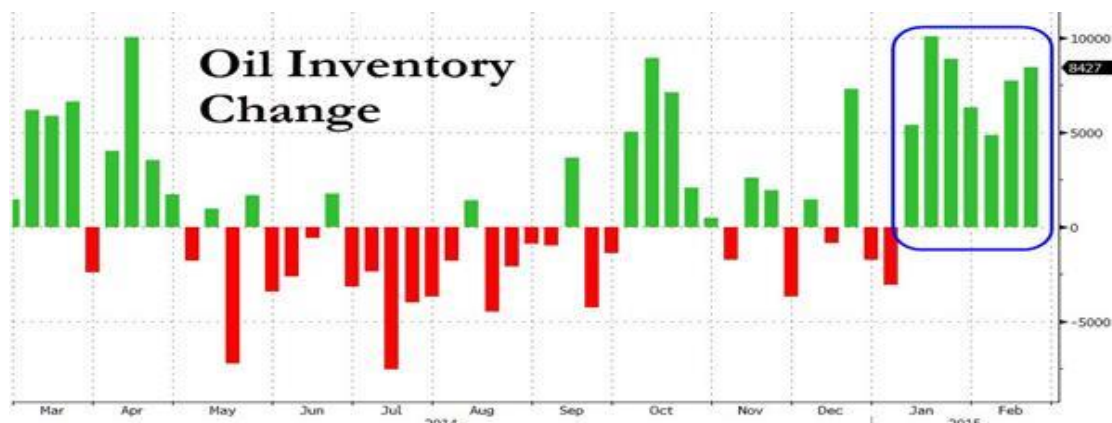
Copper's fall is particularly significant; since "Dr. Copper" is used extensively in houses, autos and computers, its collapse to its [lowest level since March 2009](#) at \$2/pound confirms that the whole world economy is soft. Freeport-McMoRan, the world's second largest [copper miner](#) suspended its dividend.

America's two largest primary [aluminum producers](#)—Alcoa and Century—announced layoffs and production cutbacks due to the decline of primary aluminum's price to a six-year low... Iron ore broke below \$40 per ton for the first time in two decades, having fallen 40% in 2015 and 80% from its 2011-12 peak.

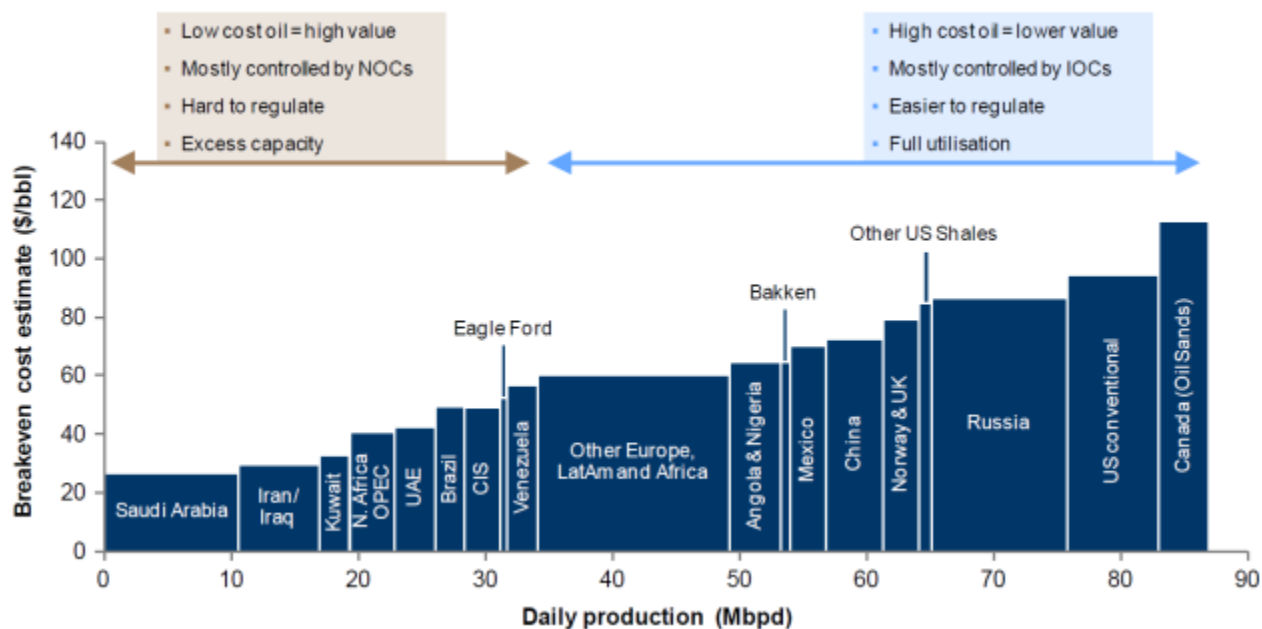
And the Fed December rate hike will likely strengthen the dollar, [reducing demand even further](#).

Crude oil (measured by the WTIC Index) resumed its slide after a December OPEC meeting failed to produce an agreement to reverse overproduction, which has continued for two years.

The world is running out of storage facilities, with a worldwide cushion exceeding 3 billion barrels, over 100 million of which is sitting in offshore tankers. For 2015, the WTI price for crude slid 30.4% to \$37.07/barrel. Oil Price listed six factors that will [determine 2016 prices](#): (1) US production rates; (2) Saudi ability to grow production; (3) Iranian production ability; (4) Chinese economic slowdown; (5) Russian production; and (6) OPEC strategy.



Saudi Arabia is holding \$725 billion in foreign currency reserves and betting it can survive with prices at much less than \$40 a barrel. Left behind, with marginal production costs at \$40 or above, will be the economies of Venezuela, Ecuador, Algeria, Nigeria, Iraq, Iran and Angola. Saudi's chicken-out point will likely be at its marginal cost of production—where cash flow for an additional barrel falls to zero. That point is about \$10 to \$20 a barrel for oil produced in the Persian Gulf and in the Permian Basin in Texas—although this article maintains that "[less than 2%](#) of Permian basin tight oil wells are commercially feasible at \$30 per barrel oil prices."



As 2016 began, increasing speculation was centering on whether the House of Saud could retain control and whether Saudi Arabia itself was not heading for bankruptcy. The Mid-east takedown strategy credited to the banking cartel has only three independent nations left: Syria, Iran and Saudi Arabia—with Saudi slated to be the last to fall.

Lenders are preparing to [cut credit lines](#) to a group of junk-rated shale oil companies by as much as 30%. In fact, it appears that shale producers—after throwing everything they had at \$50-a-barrel crude—have [run out of rope](#), with oil trading below \$35. Major damage to the economies of [Texas](#) and [North Dakota](#) is

evident, with the question now on the table being whether frackers will capitulate before the financial pain within OPEC nations becomes too great.

The collapse in crude oil prices has also turned into a rout for [North American railroads](#), as demand for hauling crude and extraction materials such as frac sand and pipes fell by about a third in 2015. Norway became the latest nation to admit the extent of its damage, with [reduced global oil prices](#) forcing it to draw down the NOK sovereign wealth fund to cover a budget deficit in 2016. And Freeport McMoran, the world's largest miner [wrote down \\$7.2 billion in losses](#) on US shale investments.



Paris climate talks seem likely to strike a final blow to the petroleum-based economy, with even China and India reportedly onboard for [dramatic cuts in CO2 emissions](#). The main difference from the acrimonious end to the 2009 climate conference in Copenhagen is that over the past six years green energy has become cost competitive—with half of all new electricity currently being installed in the US coming from solar.

Jeremy Grantham wrote that after turning off US fracking, “oil supply will drop into equilibrium in the \$30 - \$50 range; most likely beyond 10 years electric cars and alternative energy will begin to eat into potential oil demand, threatening longer-term oil prices.”

The severity of this oil slump says “no” to the MSM-touted “recovery” story.

Elite friends counseled Lindsey Williams to convert “all of the assets he could not afford to lose” into tangible assets, adding that “if the value of an asset is written on paper, it’s only worth the value of the paper it’s written on.”

With data from the late 1970’s making it clear that financial/paper assets are likely to be destroyed at an accelerating pace, informed investors are focusing on real assets, by-passing to some extent the conventional practice of diversifying across financial asset categories.

“Get out of the system!” This is the advice given by Jim Sinclair, a 50-year market veteran. Sinclair is referring to the US financial system, and he recommends it be done completely and without delay. He also recommends transferring liquid capital to a “BRICS or quasi-BRICS” location.

To survive this financial transformation, you want assets that will provide, retain (or increase) purchasing power. **Hence, your objective should be to MAXIMIZE your percentage of LIQUID, TANGIBLE assets.** A tangible asset is a physical item that you can touch—an investment in a hard or real asset or personal property. In contrast, financial investments such as stocks and bonds are paper representations of value. Real land, valuable resources and gold and silver have historically been the best vehicles for

protecting wealth from the secret confiscation that accompanies the **last stages of a fiat currency collapse** such as the one we have entered.

Jim Rickards reported that a historical study of families that successfully carried wealth through generations—despite wars, revolutions and the like—followed this general rule: 1/3rd in gold, 1/3rd in land and 1/3rd in art. (Paintings can be separated from frames, rolled up and carried to a safer location, along with gold, while land can hopefully be reclaimed after war or revolution concludes.) Some tangible assets, such as collectibles and precious metals, are held purely for their ability to [appreciate](#), while others are held for the income they generate while they [depreciate](#), such as an oil well or equipment held for lease. Others exhibit a combination of properties, appreciating in market value while depreciating in book value—rental real estate being an example. Timberland manifests [depletion](#) of timber, combined with appreciation of land. Values of other assets fluctuate with supply and demand, such as commodities, which are [liquid](#) investments—unlike many other tangible investments.

Recommendation: With the FRN due to absorb a major drop in purchasing power and the potential for a complete loss in fungibility of paper money and paper assets, prepare to start converting FRNs to tangible items you will need down the road.



Prioritizing conversion to tangible assets. Begin by considering two items without which we cannot survive: food and water. In a “Mad Max” scenario, these are the only two assets that will be worth anything. Then add two items that are vital to a modern, structured life: energy and a roof over your head. Every month each of us uses FRNs (“dollars”) to purchase or retain these items.

For those that literally depend for their physical existence on medications, a sufficient supply will be essential.

To the above we should add the desirability of a source of income and a means for storing savings and perpetuating its purchasing power.

Water is essential to life. Although three-fourths of the Earth’s surface is covered with water, only 2.5% of it is fresh water; 70% of the fresh water is contained in glaciers and snow (60% in Antarctica), with most of the rest in freshwater lakes, soil moisture and aquifers. **Many areas of the world** are already experiencing stress on water availability, future shortages of which would affect everything from sanitation to overall health and the production of grain.

Recommendations: spend FRNs to drill a well on your property. If a well isn’t feasible, build a swimming pool or put in a hot tub or store water in barrels. Buy hardware necessary to collect rainwater from your roof. Buy filters to make the water potable, ensuring your self-sufficiency during emergencies.



Food availability is being threatened by agricultural crop losses due to “crazy” global weather. In the event of an economic emergency, food will likely be hard to come by, due to the “just-in-time” system in wide use for supplying supermarkets. In a short time, grocery shelves will be bare.

Recommendations: convert a portion of your lawn to a garden or build a greenhouse. Join a community food co-op. Raise tilapia in your swimming pool. Store canned food or buy a supply of freeze-dried food.

How about shelter? A traditional view would be that your dwelling should either be debt-free, or you should have enough liquid real assets (like gold) available to pay off the mortgage quickly, if needed. To enhance your survivability, the farther from large metropolitan areas you are located the better.

A recent recommendation from Martin Armstrong worth thinking about was that as conditions worsen and property values drop, **municipalities will ratchet up property taxes** in a desperate attempt to stay employed. In view of this possibility, an appropriate strategy would be to take out a 15-year maximum mortgage on your property at current low rates and put the proceeds in something safe (such as gold bullion). Then if a combination of increasing taxes and a plunge in property values takes your equity negative, you have the option of walking away—with your equity in hand.

Power. Oil is not a practical way to hold energy, but a working solar system is. Solar panel costs have fallen dramatically over the past three years. Other alternative sources include propane (burying a tank on your property) and wind power. A generator is an obviously useful emergency power source, but the noise it will produce during a power outage may cause others to seek you out for additional “prepper” items.

Protecting wealth. The following tangible investments hold the promise of protecting purchasing power. Many of them require specialized knowledge. Of all these choices, gold and silver bullion stand out as default selections because of their high liquidity.

- Unleveraged real estate with a recorded deed in hand, especially producing agricultural property.
- Commodities such as industrial metals, agricultural commodities, livestock and forestry.
- Depleting income-yielding assets, such as direct ownership of oil and gas properties, mining rights or timberland.
- Collectibles, including fine art, postage stamps, antiques and ancient artifacts, jewelry, classic cars, fine wines, rare books, comic books, trading cards, musical instruments, memorabilia, historic documents and toys.
- Gemstones.
- High-priced watches and numismatic coins—which also excel at transporting wealth internationally.
- Currency with tangible backing, if/when such a thing comes into existence.
- Firearms and ammunition to protect what you have—also useful for barter.

- Gold and silver bullion. One interesting idea for dealing with a climate in which politics or tax consequences become onerous for bullion holders is to fabricate gold or silver into jewelry or art sculpture, registering as an artist with a “doing business as” status.

Liquidity: the ability to turn an asset quickly into goods and services you need now. Values attributed to businesses and real estate and such items as collectibles normally take time to convert into cash or cash equivalents. Food, water, ammo and gold/silver normally do not.

Another primary consideration in asset selection is that of “counterparty risk,” the potential that the holder of a promise to pay you might perish financially or have difficulty making good on his/her promise or guarantee. **Your optimum position is therefore free-and-clear ownership of a valuable real asset.** Cyprus demonstrated that counterparty risks extend to almost all assets classes, including cash, and should be assumed to be just about everywhere. Actually, all financial assets have counterparty risk; tangible assets do not.

Wealth generation. In addition to real estate, ownership of a viable, non-leveraged business—including depleting oil and gas and mining interests—can build wealth. Add to that ownership of water rights and mineral rights that you can protect and equipment held for leasing, such as railcars and vending machines. However the more visible the asset—vending machines being a prime example—the harder protecting it is likely to be during a financial breakdown.

Chapter 8: GOLD IS THE ULTIMATE TANGIBLE ASSET

Given the choice of \$1,000,000 in US currency or a one ounce gold coin, an informed time-traveler heading 100 years into the future would select the coin before entering the machine, realizing that the dollar would in that future world most likely only be found where all fiat currencies have gone—in museums. But the gold coin would still provide purchasing power.

Why should I own gold? Gold is a store of value: since Biblical times, an ounce of gold has bought a good suit of clothes. **It preserves wealth.** Gold is NOT a commodity, nor is it an investment. No matter what happens, it cannot go bankrupt. **It has been recognized and utilized as real money for more than 5000 years.**

That's why the founding fathers specified that only gold and silver, and not "credit," was lawful money for the United States. From 1832, when the dollar's gold content was set at \$20.67 per ounce until FDR's confiscation 101 years later, the dollar's value in international commerce never varied, except during the Civil War, and there was NO INFLATION in the United States for 80 years! (That stability ended when the Federal Reserve was ushered in.)

Since 1971, when President Nixon reneged on the US pledge to redeem dollars held abroad for gold, no currency in the world has had any tangible backing. All global currencies are "**fiat**" currencies—meaning that their viability is due to a government order (or "fiat") that the currency must be accepted for legal payments within that country.

Global governments today are essentially pretending that pieces of paper, backed by nothing and printed at will are actually money. In our opinion, they're more like Monopoly money. Each piece of US currency is composed of the same thing—a few cents worth of linen and cotton; the only difference between them is the number written upon them. So a \$1 bill and a \$100 bill are the same, and neither has any significant tangible value.



In the 44 years since the "gold window was closed," we have seen gold denigrated, principally by Western central banks—as a commodity that is "only useful to make jewelry and fill teeth." But today it is US and other fiat currencies around the world which are suspect. If 50 centuries of history can be relied upon, we will eventually see **gold re-linked to a currency**—whether it is a US dollar, Chinese renminbi, IMF Special Drawing Right, or something else. A number of discussions oriented towards restoring gold to the global money system are currently underway.

Why was gold selected as money? Early civilizations used gold because traders and individuals chose it for purposes of barter. In addition to its rarity, gold's adoption as first-tier money (silver is second-tier and copper third-tier) reflected its unique suitability to principles of desirability first listed by Aristotle in the fourth century, B.C.

- **Durability.** Money shouldn't evaporate, mildew, rust, crumble, break or rot. This is why foodstuffs can't be used as money. **Gold, more than any other solid element, is chemically inert.**
- **Divisibility** (into pieces to make change). When a diamond is split, its value may be destroyed. You can't make change for a piece of land or a goat. **One ounce of gold—whether bullion, coin, or dust—is worth exactly 1/100th of one hundred ounces.**
- **Convenience.** Oil and heavy metals such as copper, lead and silver are too bulky to be easily transported. **Gold allows its owner to physically carry the wealth of a lifetime.**
- **Consistency.** Gold is a natural element, unlike gems, artwork, land, grain and other commodities. **Only one grade exists for 24-carat gold.**
- **Intrinsic value.** **Gold finds new industrial uses each year.** Of all the metals, it is the most malleable (able to be hammered into sheets less than 5-millionths of an inch thick), most ductile (a single ounce can be drawn into a wire 35 miles long), and the least reactive (it can stand indefinite immersion in seawater, does not tarnish in air, and can withstand almost any acid). And next to silver, it's the most conductive of heat and electricity and the most reflective of light. And now researchers from Cornell University say they have developed [gold-plated nano-particles](#) that are able to seek out and destroy cancer cells.



Gold doesn't retain traces of drugs, as paper currency does. Although efforts have been made to counterfeit gold bars using tungsten, they are much easier to authenticate than paper currency. And unlike paper currency, gold coins don't carry serial numbers, making them truly untraceable. Finally, gold as money is NOT debt. All FRNs are debt—not redeemable for anything by their creator (the Federal Reserve); they are literally an IOU nothing!

So, heeding lessons handed down through the centuries, our founding fathers in 1792 designated gold and silver coins as official money for the United States of America. Paper money was not authorized.

Why has gold been rising? The fundamental outlook for gold hasn't changed for years; more and more people are beginning to realize that today's monetary problems are going to worsen, which is bullish for gold. These problems include massive global debt and financial leverage, the weak dollar, bank problems, US trade deficits, federal and local government budget deficits and a host of other problems around the

globe. People are fleeing national currencies and financial assets for the safety of tangible assets that can be held personally, with no counterparty risk.

In addition to being real money, gold is also a “real asset.” When equity markets reversed in 2000, gold entered a secular (long-range) bull market along with other real assets (things you can touch and feel, such as oil, copper and corn. Secular markets are covered in more detail in Chapter 7.)

While gold has been publicly denigrated in the West, it is held in high regard in the Mideast and East—especially in India, China and Russia. China is the world’s largest gold producer and recently surpassed India as the world’s largest importer. It imported 2232 tons of gold over 2012-13, over 2000 tons in 2014 and continues to buy heavily. Chinese subjects are encouraged to buy gold at the country’s banks.



Instead of thinking of the price of gold as going up, visualize its rise as a reflection of fiat currency values sinking as newly-created digital/paper currency is put into circulation. Sophisticated investors are accumulating gold bullion but they are not selling any of it. Why? Because over the centuries every fiat currency printed has been depreciated to its intrinsic value: ZERO. Gold and silver, meanwhile, have endured. Under current economic circumstances, why would knowledgeable individuals even consider selling physical gold for paper currency? They would only do so due to fundamental financial ignorance.

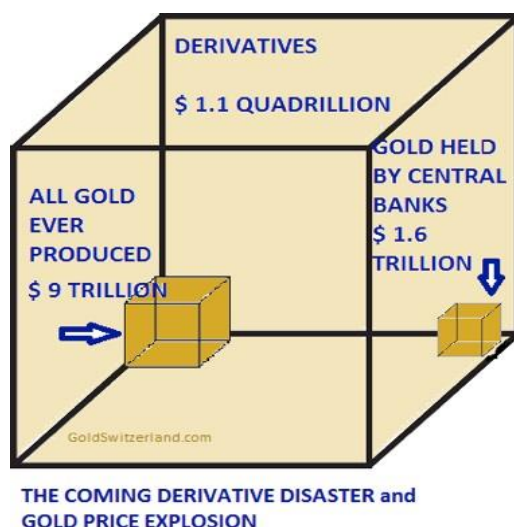
Underpinnings of a continued bull market. In summary:

- The world has spent 45 years in an experiment in which no currency in the world was backed by anything tangible.
- For 30 years, reserve banks sold gold; now they are buying it, in accelerating numbers. So are insiders, including JPMorgan Chase (below).
- China, Russia and India are heavy bullion buyers. And the list of countries repatriating their gold from foreign storage is growing (page 150).
- Controllers reportedly plan to introduce a new gold-linked currency by 2020 or sooner—with gold at \$3000 or higher (page 66). This elite group considers gold “their money.”
- Supply is tightening. In 2014, the British LBMA Exchange began delaying shipments, forcing creditors to wait 100 days to receive bullion proceeds. The US Commodities Exchange (COMEX) is also nearly out of gold and silver supplies to back its paper futures contracts – and will probably go to 100% margin when inventory gets low enough.

Why is gold so volatile? For one thing, there’s not much of it. All the gold ever mined would fit into a cube measuring 64 feet on a side. Its current value of about \$9 trillion is not more than the value of the fiat currency pumped into bailouts by the Federal Reserve over the last five years. The market value of all gold producers around the world is less than that of Wal-Mart. The entire silver industry is 21 times smaller than gold, and less than the market caps of over 200 companies in the S&P 500.

Here is a stunning visual portrayal from Visual Capitalist of the size of the [world’s money and markets](#)—from bitcoin to derivatives. Notice how little silver is in existence!

New supplies from gold mining increase its global total by only about 2% per year. It's been a long time since a large high-grade deposit was discovered, and gold coming out of the ground is of such low grades that the average cost to produce and bring gold to market today is over \$1100 per ounce. As a result, the next frontier for gold mining may be the sea floor, where Nautilus Minerals has acquired leases on 278,000 square kilometers of ocean floor and is planning to mine deposits off of New Guinea. But contractual disagreements have stalled progress. Mounds of gold and copper are a mile underwater, in environmentally-sensitive areas, so practical dilution of existing gold supplies will be well into the future.



Price “Manipulation.” Limited supplies of both gold and silver make their prices relatively easy to control. Trading is done on futures exchanges in New York (the COMEX) and London (the London Bullion Market, or LBMA). Hedge funds and other speculators buy “long” contracts, anticipating an opportunity to sell at a higher price. The other side of these contracts is usually assumed by large institutions, aka, “commercials.” As prices hit highs, commercials use their knowledge of hedge fund black box trading triggers to dump enough sell orders during thin trading to forcing a decline, allowing commercials to pick up gold at a profit.

The Federal Reserve supports this activity, having a strong interest in keeping gold’s price down to divert attention from poor economic performance. It leases gold to major banks which in turn reap enormous returns through manipulative action on the commodities futures exchanges. This “gold carry trade” adds huge amounts of paper supply to the market in order to suppress the price of gold.

The Fed’s involvement is often through the Exchange Stabilization Fund, which is an emergency reserve fund of the US Treasury. The Fund participates in an account at a major gold bank which legally trades gold. Run by the President and Treasury Secretary or their designees, the Fund can trade long or short, borrow and lend—legally doing anything it wants in secret. And as noted earlier, it has a strong interest in keeping the price of gold from getting out of control.

Jim Rickards wrote that [gold is being held down](#) by (1) China, which wants a low gold price while accumulating the metal to hedge its US bond surplus; (2) the US Treasury, accommodating China; and (3) the Fed, which would accept a higher gold price as long as it happens in an “orderly” way. Gold market manipulation will end, says Rickards, when “China gets enough gold to hedge its Treasuries fully and the Fed gets the inflation it wants.” [This essay](#) quotes Song Xin, Party Secretary and President of the China Gold Association as stating an objective of moving, “step by step towards 8,500 tons, more than the US”

JPMorgan is a particularly aggressive trader. It was the primary engineer of the 2013 huge slap-downs of gold and silver. During that decline, JPM was reported to have reversed a large net short position to net long—to the point that it held 20% of total COMEX open gold contracts. That’s a VERY significant reversal, and an indicator as to the direction that JPM thinks gold is heading.

Gold Anti-Trust Action Committee (GATA) [President Bill Murphy](#) confirmed in November of 2015 that the Gold Cartel, realizing that their manipulative game is nearing a close, recently reduced its net short market position to “virtually flat,” while maneuvering speculators into taking over its net short position. So when gold and silver resume their advance it will be the “specs,” not the bullion banks that will suffer.

Scotia Mocatta joined the “reclassifiers,” withdrawing late in 2015 over 79,000 ounces of gold from its “registered” category backing paper gold contracts at the Commodities Exchange. Then in January another 46,000 ounces was withdrawn. As a result, COMEX [gold futures contracts](#) are now backed with less than four metric tons of actual metal, or about **one ounce for every 542 paper ounces**. In this [USAWatchdog.com interview](#), Craig Hemke reported that not only is this amount of leverage at COMEX “extreme fraud,” but also a sign of **record demand**. “I think we are finally starting to run out of physical gold.”

Ted Butler reported that [JPMorgan also took physical delivery](#) from COMEX futures contracts of 4 million ounces of silver in May 2015 on top of 7.5 million ounces in March. He’s convinced that JPM has accumulated the highest amount of physical silver in history, at least 350 million ounces, exceeding the amounts held by the Hunt Brothers and by Warren Buffett—with plans to liquidate at much higher prices.

The 117-year old London silver “fix” has been restructured, due to the resignation under fire (pending investigation of manipulation) of Deutsche Bank. The London gold fix, which formed the baseline for gold pricing through the 1970s and 1980s, looks like it may also be restructured, or disappear. Lawsuits have been filed against the five responsible banks, alleging manipulation. The same set of threats could easily be applied to manipulation that exists on the US COMEX Exchange. This interesting article [chronicles the “people”](#) who ‘fix’ the price of gold.” For historians, here is a 400-year “full history of the [London silver market](#).”

For manipulation-doubters, here’s a nuts-and-bolts article by ex-Treasury Undersecretary Paul Craig Roberts and Dave Kranzler explaining how we know for sure that [precious metals are being manipulated](#).

Whistleblower and independent London metals trader Andrew Maguire described a [major change underway](#) in the structure of precious metals paper markets. What’s changing is that securities regulators have now been “forced to act against a full range of gold and silver market manipulation cases,” which has caused “Goldman Sachs and at least ten other trading banks” to break ranks—ending the collusive arrangement that’s been in place. Maguire said that with JP Morgan having already cornered the physical silver market, Goldman can be counted upon to “front-run the increasingly illiquid paper gold market against its rival bullion banks.”



Maguire also observed, with regard to Goldman Sachs’ Jeff Currie’s November call for \$1,000 gold that “seasoned traders and investors are well conditioned to know that when Goldman makes a call of any sort, they are guaranteed to be on the other side of the trade.”

Physical gold exchanges. Seeds of the destruction of the manipulated paper markets can be found in a number of places, but are nowhere more obvious than pure bullion exchanges being established in the Far East—in Moscow, in Beijing, in Singapore and most recently planned in Seoul and [in India](#). The [Shanghai Gold Exchange](#), launched September 2013 is now trading physical metal. The SGE currently employs a

network of 59 certified vaults, counting as participants international bullion banks, refineries and mints and is scheduled to initiate a [yuan-denominated gold benchmark](#) in April of 2016.

Jim Sinclair, who chairs the advisory committee for the Singapore Physical Precious Metals Exchange believes that physical exchanges will overcome the paper exchanges, forcing them to close. Gold and silver prices would then be set globally based on physical demand, and it will be impossible for banks or governments to manipulate them. Volatility should also lessen.

China announced the launch of a [paper trading exchange for gold and silver](#). The new exchange is a real alternative to the closed-loop COMEX and LBMA paper exchanges in New York and London. Traders are migrating to the new exchange, which provides direct access to the wholesale market without going through a bullion bank—empowering the end user. Real allocated bullion will be traded there, with cash settlement, taking control of the gold futures market from bullion banks. Trader Andrew Maguire said that this “game-changer” will lead to the collapse of the London Bullion Exchange; he is moving his operation from London to Shanghai, which has already become the established global hub for physical gold.

At some point in the future, the pricing mechanism will turn from paper markets to physical markets, which will (says John Embry in [this interview](#)) provide people shorting the paper market with a “religious experience.”



The Texas Bullion Depository, passed into law in 2015 by landslide votes in the Texas legislature, will not only [bring back](#) from New York more than one-half billion dollars in gold bullion belonging to the University of Texas, but Texas citizens will also be able to store gold there. Down the road, depositors will be able to trade in gold through the depository—all without fear of federal confiscation. The depository is a huge slap-in-the-face to the Federal Reserve, introducing competition into the monetary system, and inching one-step further from federal control.

Repatriation picks up steam. Venezuela began the repatriation parade in 2012, successfully recalling its gold reserves from storage in London (but then had to lease it out to continue operating as a sovereign nation). Germany was close behind and has now repatriated [about 40%](#) of its gold to Frankfurt, from New York, London and Paris. Here is an excellent [big picture story](#) that focuses on Peter Boehringer, the German gold bug who forced the start of German repatriation and started the ball rolling.

A Swiss referendum in 2014 (which would have required the purchase or return of about 1700 tons of gold) was defeated soundly after the Swiss national bank and other elite-connected sources pulled out all the stops to get a negative message out to the voters—including the shut-down and confiscation of a PayPal account into which support money had been pouring from all around the world. It also ensured that programmable Diebold voting machines were utilized. It's really no surprise; implications of a Swiss recall were so severe that global bankers really couldn't take any chances.

Netherlands' Central Bank followed Germany's lead and in 2014 successfully [repatriated \("in utmost secret"\)](#) 122.5 tons of gold from the US (planning began in 2012). Austria brought back 15 tons of its gold

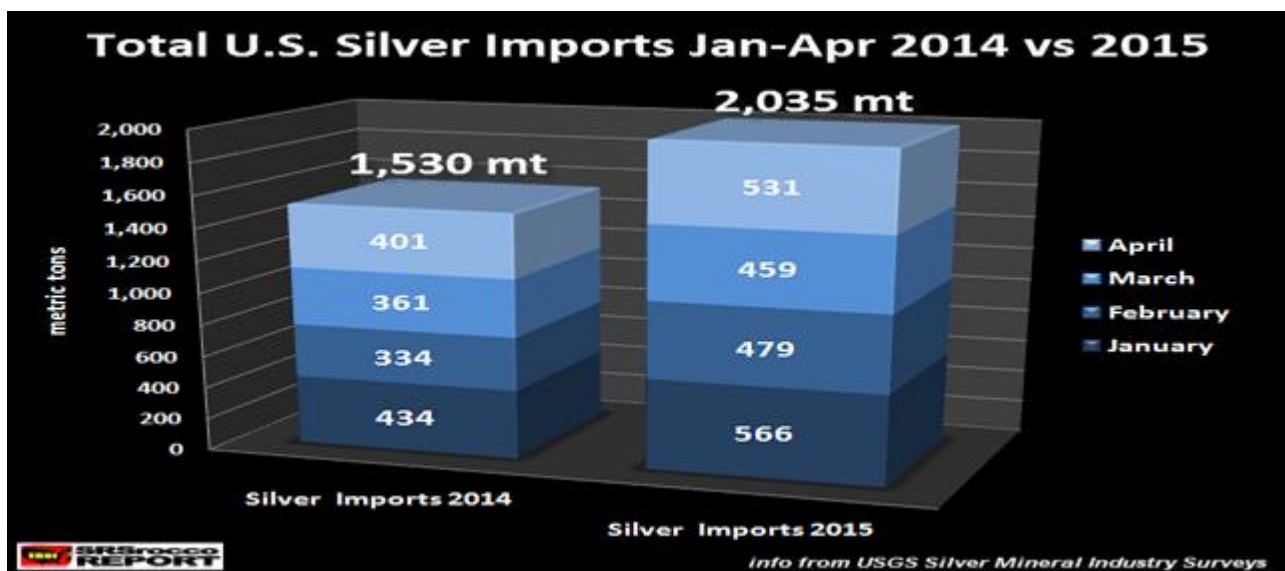
reserves as part of a [plan to hold half](#) its gold stock within the country's borders. And French Front National leader Marine Le Pen is demanding that the French Central Bank initiate "[urgent repatriation](#)" of the country's gold.

Koos Jansen wrote that [repatriation by the Dutch](#) was prompt because the initiative originated with the Dutch national bank, whereas the German request was due to public pressure through the Bundesbank. Blazingly clear here is increased global distrust of the New York Fed, which may have less unencumbered foreign gold bullion than it advertises in its vaults. In 2013 the [UK was drained](#) of 1424 tons. Switzerland reported exports to China and India of 120 tons in October alone, and even Hong Kong has become an exporter.

Data published by the New York Fed shows that 77 tons left its vaults from January to September; Jansen thinks 54.5 tons went to Germany. So here's a question: where did the gold bullion for the Netherlands come from? Speculation held that the source of the Netherlands bullion was a combination of 33 tons that were [airlifted out of Ukraine](#) during the recent change in governments, plus a 100-ton drop (from 821 to 720 tons) in bullion backing GLD—the huge gold exchange-traded fund.

According to Edmund Moy, former Director of the US Mint at Ft. Knox, repatriation requests were also received from Azerbaijan, Ecuador, Iran, Libya, Mexico and Romania.

Increased physical buying. The World Gold Council reported that "US demand for gold bars and coins surged 207% during the third quarter" of 2015 and the US Mint added that gold eagle coin sales surged to nearly 400,000 ounces during the quarter, the highest level in more than five years. Then on the [first day of 2016](#) the US Mint sold as much gold as it did in the entire month of January 2015. These statistics reflect actions of savvy buyers who (1) know we're close to the bottom of this correction; and (2) realize that physical gold, not paper gold, is what they should be holding as we move further into the financial transformation.



[This article](#) concludes that large buyers are quietly acquiring a great deal of silver. Clif High reported that global consumption for the manufacture of solar panels has overcome weakening use in cell phones, driving physical silver prices steadily higher, and if paper exchanges remain successful in stepping on spot prices, premiums will continue to increase—perhaps to over \$40 an ounce.

Billionaire investor Stanley Druckenmiller, who shut his legendary Duquesne Capital hedge fund in favor of a family office, recently purchased [2.9 million shares of GLD](#), bringing his gold position to over 20% of his total holdings. Jim Grant, [publisher of Grant's Interest Rate Observer](#) also joined the gold bulls, noting that gold is now at "the conjunction of price, value and sentiment."

Chris Martenson wrote in December about “the [screaming fundamentals](#) for owning gold” as wealth insurance in this failing experiment in fiat currencies... And here’s a 2015 short [interview of Alan Greenspan](#) affirming one more time that gold is the premier currency in the world.

Jim Rickards, in his new book “The Big Drop,” wrote: “The correlation of dollars and gold, the divergence of gold from commodities, the repatriation of gold from the Fed and continued large acquisitions of gold by China and Russia are all visible from the data. The conclusion that gold is beginning to behave like money, rather than a commodity, and that Russia and China are using gold to hedge dollar exposures in oil and Treasury securities respectively, are reasonable inferences using our models.” [Chinese in particular](#) are opting for gold, following disastrous experiences with their stock market and currency.

I have now seen several credible predictions that the day is coming when physical gold and silver is not available for sale. ‘Nuff said. Tight supply might then be a fact-of-life for over a decade.

How high will gold go? Gold will continue to rise against fiat currencies until it becomes part of an acceptable currency for conducting global trade. A pure fiat currency won’t cut it. At present, we are expecting a gold-linked IMF SDR. How high will gold be then? No one knows the answer, but astute observers pressed for an estimate have cited figures from \$2,300 (Armstrong’s minimum figure) to \$12,500 per ounce, and MUCH higher. For starters, just to equal its inflation-adjusted \$850 peak of 1980 (amid milder economic times than today) gold would need to top \$2,500.



The most logical price prediction I have seen was made by [Jim Sinclair](#) in 2001. He stated that gold was headed for at least \$1,650. He calculated this number as the value that gold would need to reach to “fully price the level of Western financial dislocation” at that time. His calculation was based on dividing the total dollar value of US foreign debt by the assumed number of ounces of gold (262 million) held by the US government. In December of 2011, Sinclair updated his fully-priced number to “above \$12,400.” In 2013, Sinclair predicted “By 2016, gold will be \$3,200 to \$3,500 an ounce. By 2020, emancipated gold will be \$50,000 an ounce.” Sinclair has described the 2016–2020 period as “The Great Reset.”

Since current economic conditions are as bad as or worse than those that existed in the 1970s, we feel that the Dow-to-gold ratio is destined to shrink to a number of less than two, as it did in 1980 (see chart, page 134) and also in 1933 and 1906. That means that either stocks will fall from here by a **factor** of 8 or more, or gold will increase by a factor of 8 or more, or more likely a combination of the two will occur. So if the Dow holds 16,000, gold should rise above \$8,000.

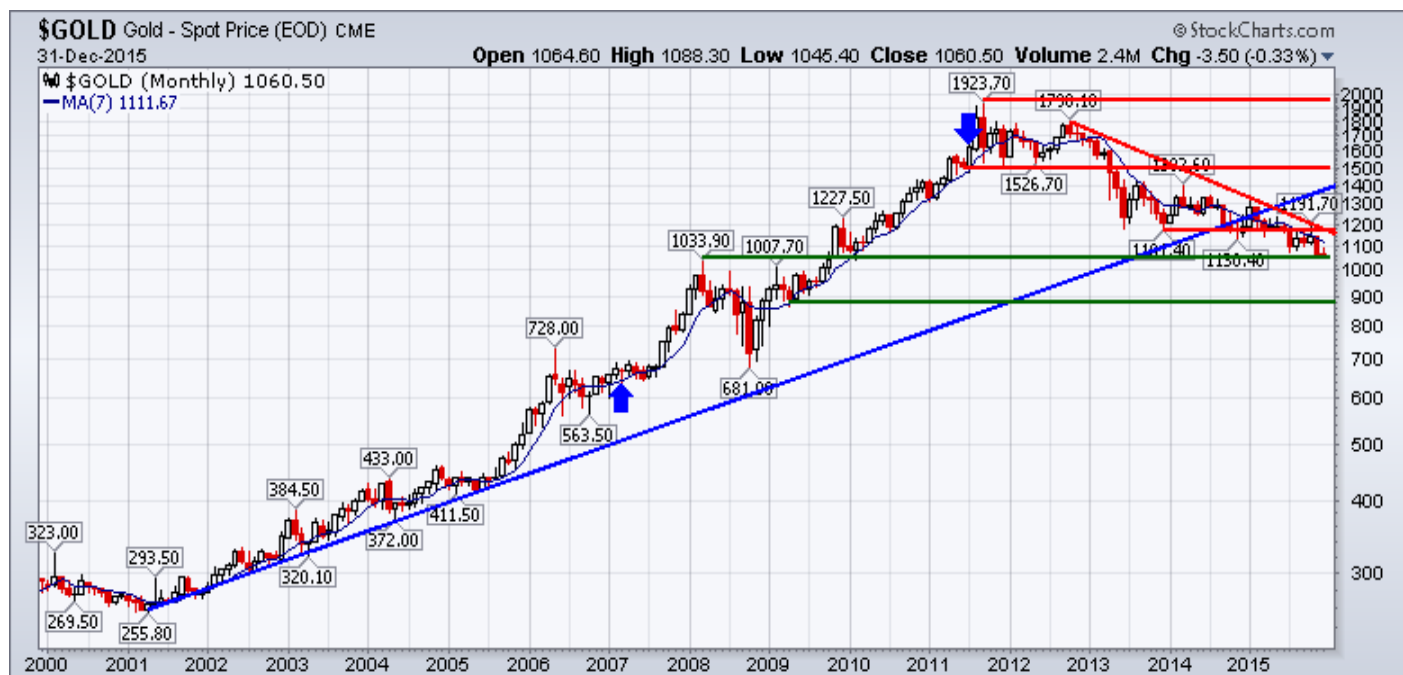
In response to a question posed in 2012 of whether it was too late to buy gold, Doug Casey said “I hate encouraging people to buy gold at \$1,800 an ounce, because that level is already more than 700% above the 2001 bottom, and I’m a bottom fisher... But it’s plain as day that gold is going to go higher. There’s simply no other place for people to try to safeguard their wealth as the dollar, euro and other currencies plummet toward their intrinsic values [zero]... Gold is the ultimate cash, and that’s where people will go when there’s a global, total, panic to cash.”

Another metric we watch is the ratio of the price of an ounce of gold to one share of the Dow-Jones Industrial Index. As depicted on page 137, we expect a “cross over day,” when the prices are the same. We expect a COD during the financial transformation and are [tracking it](#) on our website.

Richard Russell wrote in 2014 that gold is in a “**once in a generation**” bull market. He noted that “most great bull markets go higher and further than almost anybody thinks possible... We are deep into the second phase of the gold bull market. This is the phase where the institutions and funds join in the bull market show. Often, more money is made in the third or speculative phase than is made in the first and second phases combined... Perfect timing is impossible: you’re either in or you’re out.” Russell’s advice to investors in a “great primary bull market” was “just shut your eyes and buy.” He termed this his third major career call, the other two being his call for bull markets in stocks in 1958 and 1974.

Entering 2016, gold may have established the final low in its 4½ year correction—in early December, \$1046/ounce. Gold finished 2015 down 10.4% for the year, at \$1060.50. (In other currencies, gold effectively held its own.) Martin Armstrong had pegged the final low in either Nov/Dec 2015 or Mar/Apr 2016. (And so, we may be looking at one further dip in the spring.) Armstrong remarked that “gold must lose all its friends and the gold promoters must be fully discredited. This is how markets bottom no matter what market we are talking about.”

Blue arrows on the chart below shows the duration of Socrates’ last ECM cycle; during that period gold gained 150%—from about \$650 to \$1600/oz. This ECM cycle runs from October 1, 2015 into early 2020.



Increasing recent gold bullion positions of sophisticated inside players (e.g., JPMorgan Chase) seem to confirm that purchases made now will be profitable for the long-run. Once you’re in, instead of focusing on the day-to-day price of gold (and silver), add to your stash on dips in price and keep track of **how many ounces** you own, not its paper market value.

To reiterate a major point: although paper gold has experienced a scary crash, the demand for physical gold has never been higher. A developing result is a decoupling between the paper gold and physical gold markets. What happens when people realize that some of the paper gold certificates being sold in the markets have no physical counterpart? Physical gold appears to have its best days ahead of it.

Randgold’s CEO said that producers are focusing only on the best quality ore—a process known as [high grading](#)—to minimize losses in the current depressed gold market. One result of emphasizing this tactic

will be that when the price starts rising again, gold resources will be of lower quality and supply is likely to decline, **accelerating the rise**.

For clarification, Western media who touted **declining Chinese demand** for gold in 2014 and 2015 are basing their opinion on incorrect data from the so-called World Gold Council, as China has simply [changed its principal entry port](#) from Hong Kong to Shanghai and Beijing. Industry sources continue to confirm that demand for physical gold there remains extremely strong.



What conditions will signify that gold's secular bull market is over? Notwithstanding the ongoing 2011-2015 correction, gold has been rising against ALL the world's sovereign currencies. We expect gold to continue its rise against the US dollar until one or more of the following situations occur:

1. Real (after inflation) interest rates turn positive, and/or
2. The federal government becomes responsible and starts running budget surpluses, and/or
3. One share of the Dow-Jones Industrial Index can be bought with two or less ounces of gold, and/or
4. Gold and/or silver proceed through a blow-off period of price gains, and/or
5. The US or another—probably global—currency is linked to gold (at a much higher price).

To reach conditions 1 or 2 we think our current predicament will have to escalate first into a crisis of such magnitude that the existing global financial system will be literally blown away, forcing structural change. As far as situation #5, well it appears that's what's being planned for you and me; it also assumes that the public will swallow official claims that gold backing is actually there. Numbers 3 and 4 are natural developments, and would seem to be less likely than the other circumstances.

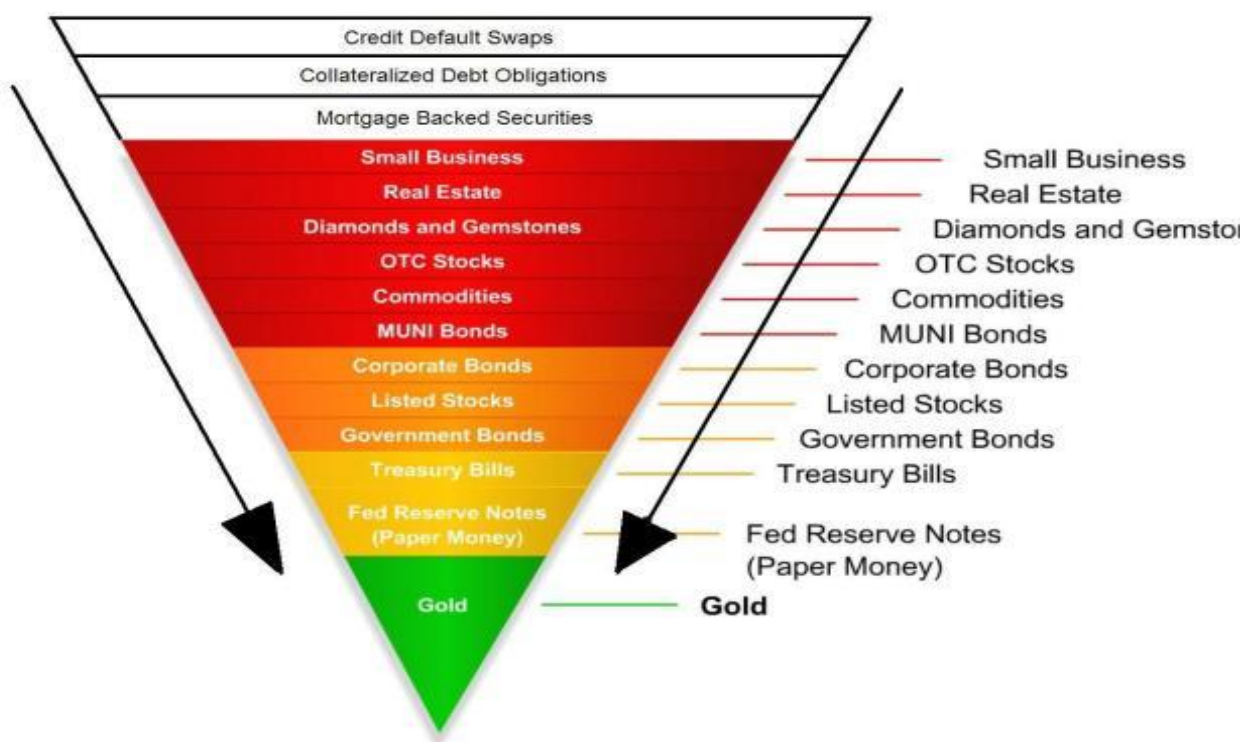
Jim Rogers observed that "Long bull markets always end in a bubble or mania. If you go around any US city, you will see signs outside many jewelry stores saying, 'We buy gold.' And the American people line up to sell gold. Later there'll be signs there saying, 'We sell gold,' and people will be lining up to buy it in big ways. That hasn't happened yet."

There is also a possibility that punitive regulations or tax rules might force individuals to sell their gold, potentially depressing the price. **Confiscatory tax rates are a threat**, and although the capital gains tax rate on gold is already at the highest bracket, "speculative" rates might be levied. But higher tax rates would also impact a significant percentage of the favored insiders.

Although it's impossible to know how gold's run will end, we think that gold will rise until an acceptable currency for conducting global trade is in place; gold will have a place in the new currency, either the cartel's IMF SDR or a revitalized dollar championed by Americans that survive this financial transformation.

How would gold perform in a deflationary bust? Most people realize that gold rises to protect purchasing power during periods of inflation. But our economic future is unclear, since central banks are busily creating inflation through their money printing, while at the same time people are deleveraging, pushing prices down. Since it appears that we are going to experience deflation, how will gold perform?

Investor and economic scholar Marc Faber agrees that a deflationary bust looks likely, with the only uncertainty being timing: "It could happen tomorrow or in five or ten years' time." Throughout monetary history the investment focus has always shifted from capital growth to capital preservation during periods of profound deflation. In a period when cash itself—the classic hedge against deflation—is suspect, gold should become the preferred holding, as depicted in John Exter's inverted pyramid.



Might privately held gold be confiscated? The answer of course is yes, it might: the US government can do anything it wants and it is already doing things that were unthinkable a few years ago. If Obama believes the precedent set by Franklin Roosevelt is worth emulating, or if his international banker bosses simply require it for their own purposes, he won't hesitate to attempt a grab.

The groundwork has already been laid: legal definitions for "bullion coins" and "rare numismatic coins" were published in 2011 in the Federal Register, citing the Patriot Act. Since January of 2006, 30,000 retail jewelry stores have been forced to register with the Treasury Department, as have bullion and gold coin dealers above a threshold. On the other hand, a recent court decision would seem to render Roosevelt's action unconstitutional, so any confiscation attempt would probably be challenged in court.

In 2007, the Gold Anti-Trust Action Committee (GATA), in response to its earlier inquiry, received a response from the Treasury Department which asserted that in a declared "emergency" situation, the government reserved the right to confiscate precious metals, restrict ownership of mining shares – **and to confiscate and restrict every other financial asset as well**. Treasury's response cited the 1917 "Trading with the Enemy Act" and indicated that all that would be needed would be a Presidential proclamation of some kind. On the other hand, it didn't single out gold.

It's also possible that the government might be faced with the need to add to its gold reserves in the unlikely event that it decides to tie the dollar in some way to gold, or if foreign creditor nations start insisting in payments in gold, rather than in dollars.

But the likelihood of a new gold confiscation seems remote because the situation today is much different than it was in 1933. Back then gold WAS money. It backed paper dollars in circulation, and American

citizens carried both Treasury-issued paper certificates and gold coins in their pockets. Gold constituted more than 25% of all private wealth. Today that figure is less than 1%. Concern about the economy had resulted in large redemptions of paper dollars for gold and Roosevelt lacked the gold in the Treasury that he needed to back the new fiat dollars being printed to concoct the New Deal.



So on March 9, 1933, Congress passed the Emergency Banking Act of 1933 (without reading it). The Act became Roosevelt's justification for Presidential Executive Order 6102, which on April 5 declared gold to no longer be legal tender and ordered the **sealing of safe deposit boxes** (with no warning), while accusing citizens of "hoarding gold and silver."

An important byproduct of his decision (some say it was the primary motivation) was to get gold out of circulation and out of the hands of the people, while making it possible for the welfare statist to use the banking system as a means to an unlimited expansion of credit. USA Gold observed that "Governments seize gold not because they need the money; they seize it to cut off the escape route and force capital flows back into banks and financial markets."

Shortly after redeeming at the official \$20.67/ounce price, which had been in force since 1832, the government revalued gold at \$35, robbing compliant citizens (who turned in their gold) of 40% of their purchasing power. Following that dollar devaluation, the Smithsonian Agreement revalued gold from \$35 to \$38 an ounce in 1971. Then in 1973, the US again unilaterally reset the official price of gold from \$38 to \$42.22 per ounce, where it sits today.

Gold is a thorn in the side of the international bankers, so it is subject to attacks of various sorts. But since gold has no role in today's financial system, there is no need to call it in. All private gold holdings are worth only 1.5% of economic output, so its confiscation wouldn't save the day. Obama can support his New Deal Redux by simply turning up the printing press, or whatever computing device turns those electronic bits and bytes into cash. More likely stunts would include raising margin requirements to curb playing the markets with leverage – in addition to daily ongoing manipulation via the futures markets.

It seems likely that were gold confiscation announced, compliance would be low; American trust in their government is substantially lower than it was 80 years ago. Further, a large percentage of gold owners are also gun owners, and the government seems unlikely to risk an escalation of domestic violence for this reason alone.

Minnesota became the first state to attack physical precious metal, passing a law in 2015 that is totally insane. It requires anyone buying or selling precious metals in bullion form to register, keep records and pay taxes on any gains. MN Politicians defined "bullion" as any coin containing more than just 1% of gold, silver or platinum. The law seems to have been promoted as a way of collecting additional taxes. Unsurprisingly, what it has done is to effectively shut down all coin business in the state. One can only hope that its eventual failure will discourage other states from following suit.

Will we return to a gold standard? There is no question that bank notes and checkbook money have long since proven themselves to be a more convenient means of payment than gold coins. But gold's function in the monetary system is to impose fiscal discipline—restricting government spending and currency printing at some ratio (1:1 or 4:1 or?) to the amount of gold held in reserve.

Author Jim Rickards dispels the notion that there is not enough gold to support a gold standard with this simple statement: "All you need to do is set a high-enough price." The money supply to be backed needs to be tied to the number of ounces of gold on hand. Depending on what money classifications (cash, checking, T-bills, etc.) are to be backed, the percentage backing to be provided, and the countries involved, the price could be at almost any number "up to \$45,000/oz."



Jim Sinclair has written that in the end, fiat currencies will be replaced by a "virtual reserve currency only available to central banks for trading. Think of it as the euro, ruble, rupee and renmimbi as a currency block, not a unified currency." The currency's value would be "tied voluntarily to the value of central bank gold, valued at market. Gold will have traded for 2 to 5 years emancipated from no-gold paper as the price discovery mechanism." Sounds very similar to the Controller plan identified in chapter 3. In my opinion, a Controller attempt to install SDRs with no tangible backing would fail, therefore a link/tie to gold bullion will probably accompany the first attempt. Lindsey Williams wrote that the initial SDR attempt will be gold-linked.

Rickards postulated in "The Death of Money" that the SDR as a global currency would need to be defined as equal to a specific weight of gold. Each of the participating currencies would then be defined in a fixed relationship to the SDR, and to each other, with their currencies being freely convertible into SDRs, gold or currencies of the other participating states. Rickards wrote that the SDR's value measured by gold would be "the implied non-deflationary price of gold in a global gold-backed money system," at a gold price of approximately \$9,000/ounce. Associated with this gold price would be "silver at \$120/oz, oil at \$600/barrel," etc.

The Fed could achieve inflation by fixing a gold price of "say \$3000 per ounce. It could make the price stick by buying gold at \$2950 and selling it at \$3050, in effect becoming a market maker. This is really a 60% devaluation of the dollar measured in gold." And it is what FDR effectively did in 1933-34.

As an aside, a great deal of wisdom—and strong defense for a gold standard—resides at the [Mises Institute](#), home for Austrian Economics thinkers. For example (Robert Murphy): "A fixed dollar/gold exchange rate is 'restrictive' in the same way that the Bill of Rights limits the discretionary power of the feds." (Meaning that the Bill of Rights SHOULD limit the government, even though it hasn't been much of a hindrance lately.)

Rebutting arguments against the probable "instability" of a gold standard is the observation that all markets are unstable and a gold standard automatically reflects necessary adjustments that occur in the real world. A gold standard helps prevent governments from starting useless spending programs, creating expensive bureaucracies, running budget deficits, and waging unnecessary wars. A true gold standard makes the financing of imperialism nearly impossible!

Does the US still have its gold reserves? The last official audit of US gold reserves that was made public was in 1954. A statement released in 2007 by the US Treasury says that the US gold reserve consists of 261,499,000 ounces, "including gold deposits and, if appropriate, gold swapped."

The Gold Anti-Trust Action committee (GATA) feels "This description provides clear evidence that the US Gold Reserve is in play. Gold has been removed from US Treasury vaults and placed on deposit, presumably in the couple of bullion banks the Treasury has selected to assist with its gold price-capping efforts." Interestingly, in 2015 the US government responded to a Freedom of Information Act request by stating that reports from seven annual federal audits of the [gold at Fort Knox](#) were "missing."

On the question of who owns the US gold reserve, ex-Fed attorney and current Research Fellow at the American Institute for Economic Research Walker F. Todd stated that "the Gold Reserve Act of Jan. 30, 1934 transferred legal title to the Fed's former gold holdings to the Treasury." But "to pay for the 1934 gold transfer, the Treasury issued non-transferable gold certificates to the Fed... The Treasury could satisfy its obligations under current law by tendering about \$11.041 billion to the Fed." Which leaves unresolved two questions: (1) what is the pre-1934 basis for the Fed's claim on America's gold, and (2) how much of the 262 million ounces still exists and is retrievable?

Trends forecaster Gerald Celente and ex-Treasury undersecretary Paul Craig Roberts are among those who believe that the US gold reserve is gone. A BOMBSHELL, if true!



Demand for gold as **legal tender** is on the upswing. Oklahoma passed a bill legalizing gold and silver and Arizona is following closely. After all, article 1 section 10 of the US Constitution states that "No state shall ... make anything but gold and silver coin a tender in payments of debts." Meanwhile, China and India are [consuming more](#) gold than the world can mine.

How about silver? Although silver has historically ranked below gold as tier-2 money, it has also played a primary monetary role—in Mexico, for example, and in China for 500 years. And America's founders constitutionally-defined one dollar as 371.4 grams of silver or 1/15th of that number in gold. [Note: to convert one troy ounce to grams, multiply by 28.3495231.]

Huge above-ground stockpiles of silver that existed fifty years ago have been depleted due to an amazing number of new uses that have been found for silver (solar panels, refrigeration, circuit boards, batteries, pumps, sunglasses, mylar tape, to name a few). As a result, physical silver is in VERY short supply today.

Silver is often treated by markets as a commodity, tending to rise and fall with copper as an industrial metal. But it also fills a "**safe-haven**" role, and historically maintains a ratio to gold of between 30:1 and 50:1.

Silver's correction has been even more severe than gold's. Over a 5-year period, silver's price has fallen from nearly \$50 to less than \$14. During 2015, it dropped 11.4% to close the year at \$13.82. From its current position, silver the potential to vastly outperform gold as an investment. The current gold/silver ratio is over 75, and with a normal range being 25 – 50, it could double gold's advance to the next peak. Silver's main disadvantage as an investment holding is the amount of space it consumes; it's bulky!

It's reversal will probably lag gold's, but it's rise will be greater. During a 2016-2020 renewed bull market, silver should easily exceed \$50, and potentially top \$100.

For information on buying and holding gold and silver, please see Appendix A.

Chapter 9: CREATING THE FUTURE

Instead of "a boot stamping on a human face forever," the future might be more fantastic than we can possibly imagine.

Community action. The Thrive Movement (www.thrivemovement.com) has in my opinion more than any other source, defined the big picture and developed a practical list of smart, humanity-enabling initiatives. These suggested actions are detailed in the Solutions section of its website, and include:

1. "Starving" large national banks by moving our money to local community banks and credit unions.
2. Participating in and supporting the movement to audit and end the Federal Reserve.
3. Becoming an advocate for renewable and new energy technology.
4. Supporting organic, non-GMO farming.
5. Joining a coalition to keep the Internet fair and open.

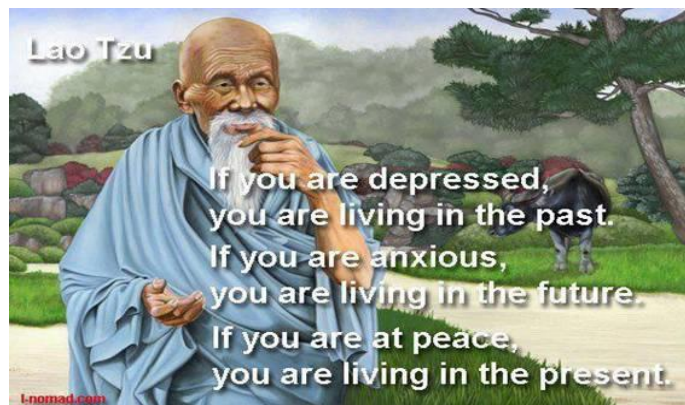
Thrive initiatives, which emphasize non-violent actions to regain lost freedoms, are resulting in a growing number of participating "[solutions groups](#)" around the globe.

For example, a "Thrive" group of more than **600 citizens banded together in Taos NM** to [transform their community](#). They are working on the environment, feeding hungry people, sharing firewood, teaching archery, firearm safety, earthship and earthbag building. And they're working with the Taos Pueblo on a community garden and with Occupy Taos to stop enforcement of NDAA.

In May, [Thrive profiled](#) two individuals who are making a difference in their communities:

- Ron Finley is turning vacant lots into community gardens in south central Los Angeles: "growing your own food is like printing your own money."
- Paul Stamets uses mushrooms to improve water quality: "I love a challenge and saving the Earth is probably a good one."

Other Thrive-inspired groups have formed to oppose aerial spraying, smart meters and fluoridation of drinking water; protect water rights; reduce community waste; promote non-GMO shopping, legalize industrial hemp, and the list goes on. There are now over 1000 self-created Thrive Solutions groups in over 97 countries around the world, engaged in over 200 different issues.



Intentional communities. Thrive recently held a web conference featuring three groups who are engaged in developing communities that are in alignment with natural principles and acting with integrity. The information discussed was enlightening and uplifting and too vast to be covered here. [One Community](#) is a non profit organization which is creating open-source living model approaches to education, housing, energy and food. Newark Nation is a self-sustaining community created in Bali. [Your Ingenuity](#) is an Oregon-based enterprise focused on building sustainable solutions, also on open-source platform, and offering aquaponics kits. They are among many groups who are working to develop communities that can replace the existing system as it breaks down.

Catherine Austin Fitts conducts live, weekly interviews at her solari.com website (subscription) with selected individuals across a spectrum of financial and economic issues. Fitts focuses on **helping individuals and communities** “support authentic leaders and diversified, excellent enterprises we and our network know and trust—that create jobs and financial security in our families and communities, strengthen our small farms and businesses, and generate positive investment returns for local and global investors.”

The German Maritime Search and Rescue Association is an excellent example of volunteerism and of **operating public service agencies entirely outside of government**. The MSRA is a private venture, entirely financed by membership fees, donations, and legacies. It has operated successfully for 150 years. It owns 61 rescue boats at 54 stations, operated by 185 employed crew members and 800 volunteers. It performs about 2000 rescues each year. There are no elected officials or political commissions and the cost to taxpayers is zero.

Farmer Joel Salatin has created a [model for sustainable farming](#) and written a book about it. [Lending Club](#) brings lenders and borrowers together for business and personal loans, cutting out banks.

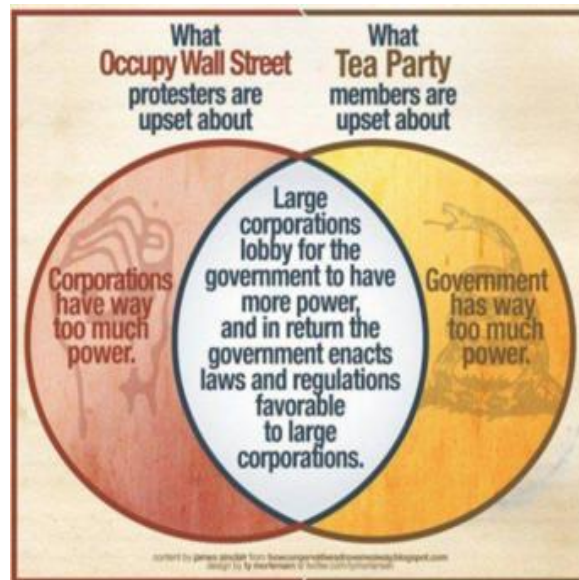
Free the rivers. Two 100-year-old dams in Washington that were no longer needed [were torn down](#), freeing the Elwha River and creating a flood of benefits. Fifty other dam removal projects in the country will benefit from the lessons learned when a river is once again allowed to be wild.

Costa Rica became the first country in the world to [shut down its zoos](#) and free the animals; in addition it has completely banned hunting for sport.

Making peace with indigenous peoples. [Evon Peter is a spokesman](#) with a powerful message for we of the settlers who took land from native Americans, and the need to settle up and refine our ways as a part of a future thriving society.

A billion trees a year. That’s the objective of an ambitious startup that intends to [use a drone](#) to shoot pregerminated seed pods at the ground.

Politics. Tea Party groups energized by Ron Paul’s 2008 Presidential run have increased citizen attention on regional and local elections and crucial administrative monkey-wrenches, such as the UN’s [Agenda 21](#) and local school board policies.



[From Mike Krieger](#) comes an encouraging thought that in our future world, both the Republican and Democratic parties will be extinct, having been replaced by representation drawn from grass roots libertarians and progressives. **“People just want a government that will keep people from starving on the streets and then get out of the way”** as they go about their business.

Jefferson's hundreds. Thomas Jefferson reached a conclusion in 1810 that freedom in America was fatally wounded. Jefferson maintained that he and his fellow founders had blown their opportunity and that American freedom had already slipped away. That may be hard to believe, but letters he wrote to Americans back it up. For example, to Nathaniel Macon in 1821: "Our government is now taking so steady a course as to show by what road it will pass to destruction. That is: by consolidation first, and then corruption, its necessary consequence."

To remedy what he perceived as an unstoppable trend of leaching the freedoms of the states into an overpowering federal bureaucracy that would become increasingly irresponsible and corrupt, Jefferson conceived an idea for recreating the republic that unfortunately never saw the light of day in D.C. It was to:

1. Divide the entire country into 100-person units with full self-governing powers.
2. These units could then delegate some of their powers to larger governmental bodies, or not.
3. The tiny size of the units would ensure that every person in the country knew his or her local representative... as in, "could knock on their door and complain to their face."

If America hits the wall hard enough in the ongoing Transformation, a concept like this might just be considered. And some form of it might actually work. (*information from Paul Rosenberg*)

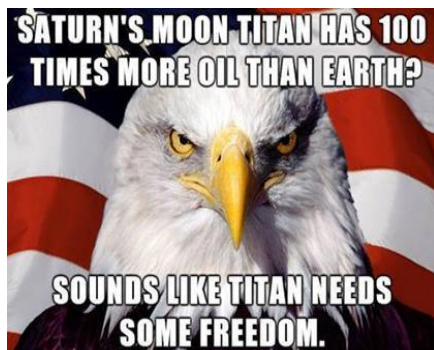
From Doug Casey's book "Crisis Investing for the Rest of the 90s" comes [this essay](#): "Why Do We Need Government?" Casey notes that governments are not deliberately created to solve problems facing the people. The US, which was the "best blue print conceived" for a government was created by "an illegal conspiracy to overthrow and replace the existing government... Throughout history government has served as a vehicle for the organization of hatred and oppression, benefitting no one except those who are ambitious and ruthless enough to gain control of it." Vintage Casey.

[Bitcoin and crowdfunding](#) seem destined to form models in the better world into which we are heading. Right now, they're in the birthing process.

The future is decentralized. In this outstanding [essay published by the Mises Institute](#), Patrick Byrne points out the fallacies of collectivists and centralized decision-making. "The smart people are on the front lines; the smart people with the ideas, who understand the marketplace and customer... I want an institution that can let the knowledge of 2000 colleagues form the new ideas and their colleagues can work together to decide how to use the knowledge... The wisdom of crowds is smarter, and more consistently intelligent, than any single person." Byrne points to the block chain as a "disrupter of central institutions" and sees decentralization as a "bomb" that is going to blow up these institutions—including government.

Futurist John Petersen waxes eloquently about the [art of forecasting](#) in this videotaped interview.

Alternative energy. As an introduction to this section, here is an answer to the question "where does oil come from?" Does crude really come from the remains of dead dinosaurs? Fletcher Prouty [explains here](#) that the term "fossil fuel" was created at a scientific conference in Geneva in 1892, turning the second most prevalent liquid on the planet into a scarce commodity. It was "like putting a price on a pail of water."



Attendees representing John D. Rockefeller asserted that because oil is a substance containing carbon, hydrogen and oxygen, it must be the result of the decay of organic matter, and is therefore a depleting resource of increasing scarcity.

Consider the fact that no fossil has ever been found more than 16,000 feet below the Earth's surface and oil is routinely extracted from 30,000 feet down. And depleted wells sometimes refill themselves. **Oil is abiotic; it is produced by the Earth in unlimited supply**, acting as a lubricant for the plates upon which continents rest. Without it, earthquake intensity increases as the plates slide by each other. The molecular structure of oil is very similar to methane, which is abundant throughout the solar system—and particularly on Titan.

Petroleum's demise. Gerald Celente's Trends Journal noted that "the fossil-fuel industry's slow death is gathering speed. China forecasts that as much as 57% of its energy needs will be met by renewable sources by 2030 and 86% by 2050—all without a loss of economic momentum. Globally in 2014, renewable-energy installations accounted for more new energy resources than oil and gas discoveries.

"The fossil-fuel industry is no longer an assured investment. Market growth will continue in renewable and exotic power technologies, while oil, coal and their hired politicians fight to keep themselves from being marginalized. The economic consequences rollout will be long, broad, partly unpredictable and unavoidable. This is an arena where small, green-based and environmentally friendly business can thrive. Construction workers retrained in the installation and maintenance of green energy systems will also thrive."

Renewable energy. The US National Renewable Energy Laboratory believes that renewable sources of energy could provide 80 percent of US electricity by mid-century, using the resources available in each region. For example, solar electricity farms make sense in Arizona but not necessarily in Minnesota's north woods. Hydropower is a better prospect for towns located along rivers than in Kansas corn country where wind energy is plentiful; New England can burn wood pellets made from its forests. Gerald Celente forecasts that "By meeting local needs with local resources and channeling excess power into regional electric grids, the lab contends, the 80 percent target is a practical goal – especially with today's plunging costs of wind and solar power."

Bloomberg wrote that "the world is now adding more capacity for renewable power each year than coal, natural gas, and oil combined. And [there's no going back](#)." Hydrogen fuel-cell (employing a chemical reaction to convert gases into heat or electricity) cars from Toyota, Honda and Hyundai are close to market. The [Crescent Dunes](#), NV solar energy project in Nevada uses 17,500 mirrors to produce 110 MW of energy.



After dropping nearly 50% from 2007 to 2013, prices of solar electricity systems fell another 12% in 2014. Canadian Solar, among the world's three largest makers of photovoltaic panels, anticipates a further price drop of 25% before 2019.

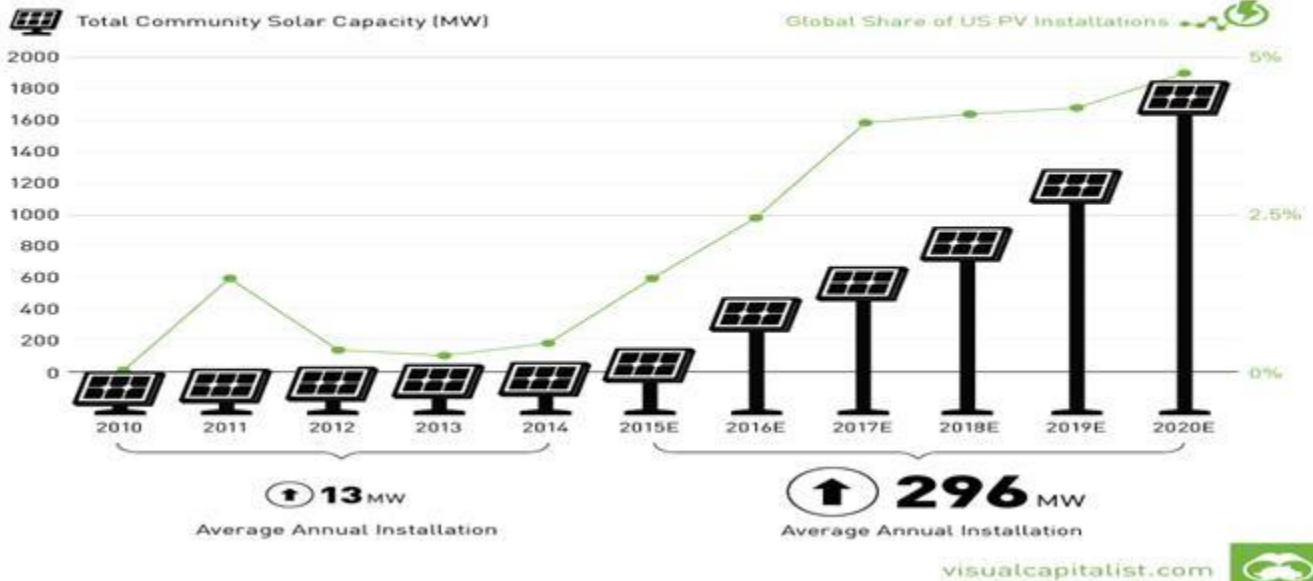
California is setting [solar power records](#). In April it registered 4933 megawatts flowing from the state's utility-scale solar plants, representing more than twice the amount of power generated by the now-shuttered San Onofre Nuclear Generating Station (north of San Diego) at its peak.

Fox Business reported on the development of "[community solar gardens](#)," where rapidly falling prices for solar panels are making community sharing of solar power practical. First showing up in Colorado, gardens feed electricity into a power grid allowing participants to lock in for up to 25 years. And in Boston, peer-to-peer solar startup Yeloha aims to bring [solar power](#) to "sun hosts"—people with rooftops but no money to buy panels—and "sun partners," who can pay for solar but have nowhere to install panels.

Chart of the Week

COMMUNITY SOLAR FARMS TAKING OFF IN 2015

Total installations to jump sevenfold over next two years



Waterborne solar-electricity farms are under consideration by countries around the world. (Article from Gerald Celente's "Trends Journal.") Evaporation will help cool the photovoltaic panels, improving their efficiency and lengthening their useful lives; a spritz of water from automated pumps can clear dirt from panels' faces; and sailing solar systems don't compete with people or crops for space on land.



Japanese photovoltaic panel maker Kyocera is building a 7.5-megawatt floating solar farm on the Yamakura Dam; Aqua Clean Energy and Solar Power Inc., a Chinese company, expects to install up to 50 megawatts of floating solar power across the U.S. and Mexico; and in India, the National Hydro Power Corporation plans a 50-megawatt installation across a series of inland water bodies. Showing that the

concept can also work in small places, SPG, now owned by Sun Edison, installed a “Floatovoltaic” energy system on the Far Niente Winery’s irrigation pond in California’s Napa Valley. This trend is likely to grow.

Wind power produced energy at less than 2.5 cents per kilowatt hour in 2014, according to a study by the Lawrence Berkeley National Laboratory. “Despite the good news, however, investors remain wary. Much of the industry’s growth depends on continuation of the federal Production Tax Credit and Investment Tax Credit for renewable energy. If a Republican-led Congress decides to demonstrate fiscal austerity during an election season, the credits could be at risk. Profit-minded investors will wait to see if the credits are extended.”

Residential solar. Utilities are beginning to realize that the electricity business isn’t about selling electrons but providing a service. Steve Holliday, CEO of National Grid, a conglomerate delivering electricity and natural gas in the US northeast and the UK, said that rooftop solar is going to replace central generation facilities. Electric utilities will be shifting their business model from producing and distributing energy, to customer service—helping electricity generated by individuals make its way to the places that need it. (Story from Gerald Celente’s Trends Journal.)

Solar Window Technologies has blended carbon, hydrogen and additional polymers into a transparent liquid that can be sprayed on glass, turning windows into photovoltaic panels that convert sunlight directly into electricity. Skyscrapers are the initial market for this new idea. Raw materials cost is low, so SWT’s film should be affordable by the time it’s available to homeowners.



Into a mix of renewable power technologies, Tesla is introducing a missing link—a **storage battery** which mounts on the wall, accumulating solar power, with ac and dc outputs. Tesla is building a giga-factory in Nevada to manufacture its [Powerwall](#), which will sell for \$3500 each and start shipping in late 2015.

Following Tesla’s debut of its home battery in April, Trina Solar—the world’s largest maker of photovoltaic panels—announced its own entry into the \$3 trillion home battery market. Trina is just the first of many whose interest was stimulated by the flood of orders Tesla received after its announcement.

Over-unity Energy Systems

Humanity would be literally transformed by the availability of a free—or even just very cheap—source of non-polluting energy (without an external plug which could be metered by another party). For decades, well-documented instances of exotic, free or nearly-free energy systems that would permanently solve the world’s energy needs have been suppressed by oil and power cartels—to the extent of seizing working models, destroying laboratories, and even murder.

Cold fusion. This [“60 Minute” segment](#) reports that “cold fusion” is alive and well, 20 years after it was sent to an early grave. Since 1982, nuclear energy like that which powers the sun, but at room temperature on a tabletop, promising to be cheap, limitless and clean—with the potential to reduce our

dependence on petroleum, while reducing greenhouse gasses—has been in development by independent scientists. Thank God for these courageous pioneers! As a result, we have a plethora of working over-unity machines.

This [compelling 2000 testimony](#) from the late Dr. Eugene Mallove confirms that experiments performed at the University of Utah in 1989 clearly indicated the involvement of nuclear processes, since so much more energy was produced than was put in. Mallove was Chief Science Writer at MIT when the story broke, but resigned after MIT refused to reconsider its discreditation of the experimental results (MIT was part of the academic-industrial team that was benefiting financially from hot fusion research). Mallove, who was mysteriously murdered in 2004, said that some version of cold fusion “will emerge as a commercially-feasible solution,” even though patent applications from Americans were all being rejected.

This article lists and describes a huge number of energy inventions whose [patent applications](#) have been suppressed by the U.S. Patent Office.

Sterling D. Allen tracks and **reports on free energy machines** and publishes a list of his [Top Five](#) highest rated exotic technologies—listed in the order in which he feels are closest to making it into the marketplace, ready for consumption. And now for the first time, products are available for purchase: three of them! A German-manufactured [kinetic power plant](#), Irish [power cells](#), and the Austrian [home power generator](#) shown below. Cost for a 5 KW Gaia unit is about \$15,000, plus shipping.



Low Energy Nuclear Reaction (LENR, aka “cold fusion”) devices are generally leading the way. Allen’s #5 pick, Italian Andrea Rossi has been running for three years a machine that reduced electric power needs by 90%. Rossi is negotiating licenses and plans to produce one million of his nickel-hydrogen [E-cat](#) devices. Recently, Rossi also announced the availability of a 10 kw unit for home use.

The [Keshe Foundation](#) announced release of the first mass-produced **free energy** system on September 24, 2015 at the 80th Knowledge Seekers Workshop. Its Magrav-Power System operates without combustion, instead harvesting plasma. Iranian Mehran Keshe [explains here](#) what he has done (not easy to follow and only part one of his presentation). The system does not apparently release electricity; it releases a plasma which takes the place of electricity. Keshe went further: he ostensibly gave Obama a plasma unit with the understanding that if America does not provide peace in exchange for energy, Keshe will send his patents out to the world (no confirmation that anything like this happened).

Gerald Celente has been a staunch proponent of “alternative energy—something much bigger than wind, solar, geothermal and biofuel.” In past newsletters, he has reported on working machines: [Blacklight Power](#), for example, has demonstrated a system that converts water vapor directly into electricity—with a vision of powering an automobile 3,000 miles on one liter of water. Celente also points to information [here](#) and [here](#) and offers some practical advice in comparing approaches and systems.

Hot fusion. And coincidentally(?), defense-insider Lockheed announced in late 2014 a “breakthrough” in its [fusion energy](#) project, envisioning an operational 100-megawatt reactor measuring 7 feet by 10 feet in 10 years. In light of the recent public visibility of cold fusion and other “exotic” machines noted above, perhaps Controllers realize that technology is at the point where it can no longer be suppressed, and are allowing the lid to coming off of over-unity energy devices. If that’s the case, watch for Controller efforts to put a plug on the energy—so that they can continue to profit as petroleum-based income withers. It might also explain the recent plunge in crude oil prices.

Scientists at Manchester University have discovered that **graphene**, a one-atom-thick lattice of carbon atoms—which just happens to be the world’s thinnest, strongest and most impermeable material—will allow protons to pass through easily, while repelling electrons. Theoretically, if the graphene membrane is coated with a catalyst such as platinum, hydrogen gas might one day be “sieved” from the air, allowing an electric vehicle to generate its own electric power as it travels.

Researchers at Hong Kong Polytechnic University claim to have invented a new kind of graphene-based “battery” that [runs solely on ambient heat](#). The device captures the thermal energy of ions and converts it into electricity. Theoretically, the power output would last forever.

Current methods of separating water and hydrogen to create fuel cells to power cars and other devices are expensive. Caltech researchers said they’ve created an inexpensive, thin nickel oxide coating that, when put on semiconductors, acts like an artificial leaf. One side separates out water, the other side hydrogen.

Serbian-American [Nikola Tesla](#) was an early proponent of **zero-point energy**—unlimited energy that exists all around us. The ultimate solution! **Tom Bearden** has been espousing this “energy from the vacuum” for decades; Bearden’s [website](#) states that “there is enough energy inside the space of an empty coffee cup to boil all the oceans of the world.”

With many other alternative techniques and systems being demonstrated around the world it will be impossible to stop them all. **Exotic energy is busting out all over!**

OTHER ADVANCED TECHNOLOGY

Maglev. China has launched 32 [high-speed train](#) routes, the longest of which extends 1100 miles from Shanghai to the manufacturing hub of Guangzhou. Its Maglev (**magnetic levitation**) trains are capable of travelling these routes at up to 260 mph. China recently tested its Maglev trains at 350 mph.



Unimaginable computational power. If you think computers are powerful now, just wait until the widespread introduction of affordable [quantum computers](#). Google has announced success with an experimental quantum computer that is [100 times faster](#) than a PC.

3D Printing is rapidly shaping up as a revolutionary technology for liberty and freedom. Mike Adams [writes here](#) that “the real revolution is less about the things you can make and more about where you make them. Being able to take printers to a warzone promises a radical shake-up of combat and the defense industry... It will make complex, expensive objects obsolete.” Further 3D printing will eventually also obsolete “a very large sector of retail sales.”

How about this 3D printer application? Download and copy a computer-aided design ([CAD](#)) file and print a product that’s been designed by someone else—perhaps infringing on their patent rights, much as Napster allowed individuals years ago to reproduce digital music that was copyrighted.

Nanopores. Engineers have developed a new highly energy-efficient way to [take the salt out of seawater](#), using a material that allows high volumes of water to pass through extremely tiny holes called “nanopores” while blocking salt and other contaminants.

2-D materials. Manufacturers are excitedly working with graphene, a form of carbon one atom thick (or “two dimensional”), arrayed in lattice-like sheets, 200 times stronger than steel by weight, virtually transparent and an exceptional electrical conductor.

Now graphene has a competitor: black phosphorus that’s stable at room temperature, similar to graphene, plus being able to tailor its electrical profile—making it more flexible than graphene in applications from smart watches to solar panels.

Molybdenite, or molybdenum ore, is also in development. In theory, one-atom sheets of it should have a range of useful electronic properties as well as being a first-rate lubricant. But until now no one had found a way to begin to understand how the metal worked. These new materials will begin making their way into commercial devices before 2020.

Photonic devices which use light to transport large amounts of information quickly will soon [enhance or even replace](#) the electronic devices that are ubiquitous in our lives today. The only catch is that researchers need to make it easier to manipulate light at the nanoscale. Below is a colorized electron microscope image of a micro-modulator made of gold. In the slit in the center of the picture, light is converted into plasmon polaritons, modulated, and reconverted into light. (source: Trends Journal, ETF Zurich / Haffner et al, Nature Photonics)

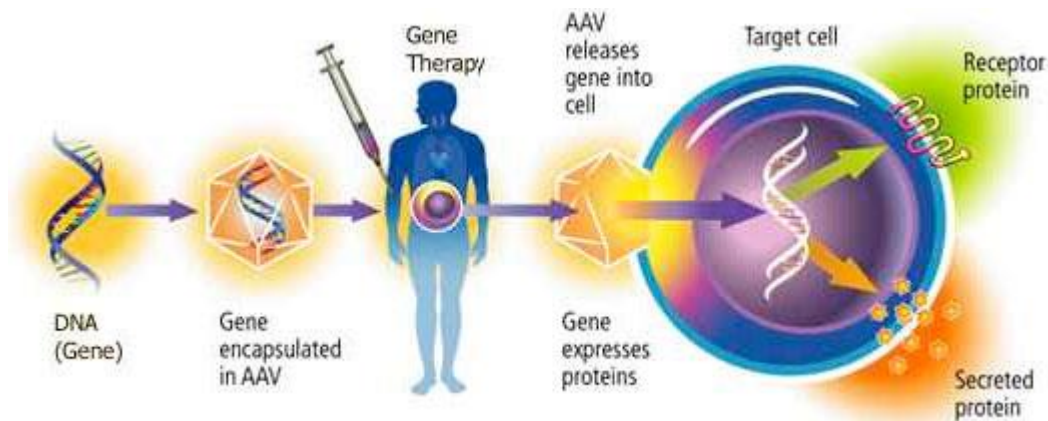


MinION is a small, portable [electronic device](#) that reads genetic sequences well enough to identify bacteria and viruses—and to tell whether food has been genetically modified. Although it’s still in the early development stages, you can buy one for about \$1000.

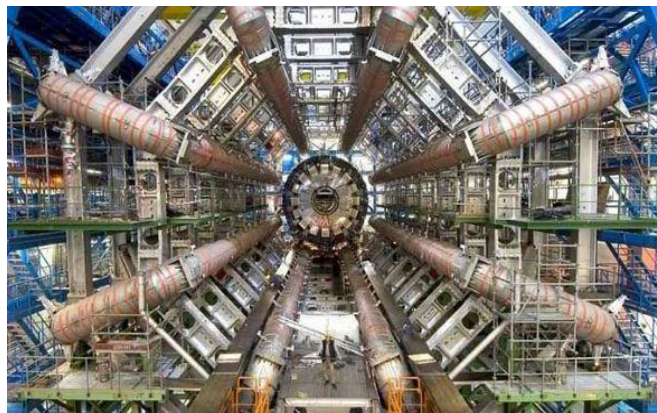
Doctor in your hand. Johns-Hopkins engineers have unveiled a handheld device that runs on batteries and measures heart rate, blood pressure, temperature, breathing rate and blood oxygen just by touching a person’s lip or fingertip. By saving lab work and professionals’ time, this ongoing shift will curb the cost of medical care while speeding responses to life-threatening conditions.

Healthy aging. Researchers can develop a benchmark score from 150 human genes allowing an individual to extrapolate where challenges to his health may come. Knowing the likelihood of age-related illness far in advance, adults can exchange risky lifestyle patterns for healthier ones and tailor habits to their particular genetic profiles. Result: Healthier elders with a better quality of life and reduced burdens on health-care systems and taxpayers.

Gene therapy. Yes, this is outside our normal domain, but couldn't help sharing [this article](#) on what's happening in the world of genetic maintenance of the human body. Joints are already being genetically repaired, rather than replaced.



The Large Hadron Collider at the CERN center in Geneva, Switzerland has announced a number of discoveries over the past decade, including confirmation of the existence of the so-called "Higgs boson"—a key building block of the universe. Now it is being [fired up](#) again, at greatly increased energy levels and with an objective of detecting—or even creating—miniature black holes. Scientists at the project are wondering if it will open the door to other, parallel universes.



The "Breakaway Civilization." For 70 years writers have speculated that advanced technology has been acquired from extra-terrestrial beings and adapted for Earth-based spacecraft that are in operation. Highly-regarded researcher **Richard Dolan** [talks here](#) about his suspicions, basing his conclusions partly on information obtained from government insiders and partly on common sense. Dolan points to "black budget" disclosures from Donald Rumsfeld, who publicly commented about more than \$2 trillion of "missing money," which could have been diverted into clandestine black budget programs, where little oversight exists.

In addition to the \$56 billion identified for black" programs in the current Pentagon budget, reliable sources have indicated that the US government reaps many billions of unreported "income" from clandestine narcotics trafficking. This secret money has been used to acquire and study exotic technology for a number of decades. Money has also been made marketing this advanced technology (much as was portrayed in "Men in Black").

The principal obstacle to introducing into the economy the advanced power technology driving these anti-gravity craft is that it would **eviscerate the global petroleum-based society**, which is controlled by the most powerful people on Earth. It appears that at the present time, this technology is run by our military and controlled by private international interests.

Dolan notes that the “objects we’re chasing belong to someone; if made by humans, they are de facto proof of a breakaway civilization.” He says it’s obvious that the secrecy cannot last forever; transition to a UFO realization “WILL happen, just as Britain transitioned from wood to coal, then to petroleum.” Yes it will be “destabilizing, but **the existence of UFOs is proven for all that care to look.**” And with future economic growth heavily dependent on abundant energy (which needs to be clean) the power technology associated with UFOs needs to be brought into general use—under appropriate control.

He went on to say that the humans in control of this technology “could be considered a separate civilization—not completely in isolation, but moving between existences and with capability so vastly beyond ours, they are in fact different. And they are arrogant, with flying saucers being their toys.” Yes, advanced technology can be dangerous in the wrong hands, but since we are destroying the ability of Earth to sustain us, we need to replace petroleum. Dolan also talked about the secret space program described by ex-astronaut Clark McClelland, who reported off-world vehicles going to the Moon and Mars, and referred to NASA as a public relations program.

Dolan also appeared on a **January 2015 show with Thrive**; here are 6 minutes of [video highlights](#). Dolan refers to the Controllers as the “criminal elite, who employ “continuous false flag events to usher in a complete totalitarian system,” and added a prediction that someone will soon upload a free energy device in open-source format onto the internet, that can be built using a 3-D printer. With “an international run on the dollar in 2015 and massive political unrest in the US, [technology] secrets could come out.”

Steven Greer is a researcher who also maintains that extraterrestrial technology has been appropriated by the establishment and used to develop exotic propulsion systems. His [Sirius Project](#) seeks to empower areas of advanced physics and electromagnetic systems into commercial existence.

Catherine Austin-Fitts, who spotted billions of missing money while HUD Undersecretary in the Bush 1 administration (and was punished for it), enjoys a stellar reputation in the financial community. Catherine noted in this [far-ranging interview](#) that “after WW II, federal credit was engineered in such a way as to generate trillions for an infrastructure to control the most powerful technology in the world for the benefit of corporations and investors (\$100T in hardware is flying around the planet).” This includes “very high tech weaponry and space travel. The planet is being harvested to feed” this development. Public money is used, but with no public oversight.

\$200 billion was spent getting to Mars [establishing a base]. “The government finances the activity but does not control it; instead, the technology is managed by private corporations. Since 1991, \$40 trillion of global resources has been shifted. What is their agenda – what is the phenomena and how are they trying to manage it? How is it possible for them to create so much without some disclosure?”



Ben Rich directed Lockheed’s secret research and development facility (the “Skunk Works”) until his death in 1995. Death bed information Rich provided included these statements:

- “We already have the means to travel among the stars, but these technologies are locked up in black projects, and it would take an act of God to ever get them out to benefit humanity. Anything you can imagine, we already know how to do.”

- "We now have the technology to take ET home. No, it won't take someone's lifetime to do it. First, you have to understand that we will not get to the stars using chemical propulsion. Second, we have to devise a new propulsion technology. What we have to do is find out where Einstein went wrong."
- When Rich was asked how UFO propulsion worked, he said, "Let me ask you. How does ESP work?" The questioner responded with, "All points in time and space are connected?" Rich then said, "That's how it works!"

Gary McKinnon was a British computer buff who hacked into Pentagon files in 2001 and discovered evidence of free energy suppression and a [cover-up of UFO activity](#) and other technologies potentially useful to the public. One of his disclosures was a list of officers' names, under the heading "Non-Terrestrial Officers," which appear to be rosters of the crews of non-terrestrial craft. The US attempted to extradite McKinnon for trial here, but have so far been unsuccessful.

Blueprint for a UFO. This [full-length video](#) provides details on the US creation of exotic flying craft modeled after crashed alien technology, including a description of the working components of a ship.

Russian Prime Minister Dmitry Medvedev recently [confirmed the existence of intelligent extraterrestrial life](#) in this short interview away from network cameras. He said, "Together with a nuclear suitcase the president has a folder, which is top secret and devoted entirely to the report by the Russian secret service which handles the control of extraterrestrials in our country. How many of them are among us I cannot say because panic might begin."

US Presidential aide John Podesta says his biggest regret is not securing release of [government records about UFOs](#). "It's time to find out what the truth really is that's out there."



Interest in the so-called "[Black Knight](#)" satellite is increasing. Nicola Tesla reported receiving signals from it in 1899 and a ham radio operator purportedly decoded information indicating the satellite arrived from another star system 13,000 years ago to monitor Earth. Here it is "tracking" the Space Shuttle.

Mars in the summertime: (Per NASA, the foliage turns green.) That's not all; multiple sources have reported that the US used black budget funds to establish an operational [base on Mars](#)—starting in 1964.



Underwater operations? Here's a followup story on the massive [underwater structure](#) off of Zuma beach near Malibu, CA. It was discovered on Google Earth and an exploratory team claims it is preparing to investigate.

JFK remembered. Three items are linked here in memory of the 1963 assassination of John F. Kennedy. First is an article which includes [the JFK speech](#) that confirmed him as a target. Next is a discussion of his issuance of [Executive Order 11110](#), an attempt to displace the Federal Reserve. Kennedy was murdered within two weeks of allegedly signing an agreement with Indonesian President Sukarno to back US dollars with gold (owned by the Asian elders—see "Dragon" above). Finally, this short video of [Mafia hit-man James Files](#), who has claimed for decades that he was the trigger-man who (assisted by the CIA) stood behind the grassy knoll and fired the fatal "head shot" that killed the President.

9-11. Anyone who has looked closely realizes that the three towers were not destroyed by airplanes. For those who'd like more information, I recommend a visit to [Dr. Judy Wood's site](#) and perhaps purchase her book on the subject. Judy concludes, as does John Lear, that the towers were literally turned into dust by a space-based directed-energy (particle beam) weapon. "The general conclusions drawn from a study of this evidence are of profound and fundamental importance to the future of those of us living here on planet Earth."

And for those of you who haven't seen it, here is a 2013 story with the 2001 video of a BBC reporter describing the [collapse of WTC building 7](#) against the Manhattan skyline, which includes the building **still standing**. WTC 7 fell 23 minutes later. The article reports recognition in British courts that BBC received advance information that the tower was going to collapse. The story was not reported in the US.

Number 112? Martin Armstrong writes here in some detail about the [Saint Malachy prediction](#) of the number of Popes and whether the current Pope is the last or next to last in Malachy's prediction.

Gobeklitepe. Predating but resembling Stonehenge, a remarkable [architectural find in Turkey](#) is revealing 20 massive sculptured stone circles that were constructed 12,000 years ago, then deliberately covered over with dirt so they could be discovered later (by us).

Even older is the **Bosnian Pyramid**, located near Visoko, Bosnia, under what had been presumed to be a pyramidal-shaped mountain. Currently under excavation, this pyramid is [larger than the Great Pyramid](#) of Egypt, has a labyrinth of tunnels underneath it and is transmitting energy out the top. Objects found on the site have been carbon-dated from as far back as 25,000 years.



Chapter 10: CONSIDERATIONS FOR SMALL BUSINESS

Family Business Office supports the small, family-owned, businesses who built the magnificent culture that we called "America." When the dust settles, a revitalized-America will once again owe its strength to its family-owned businesses.



IDEAS FOR SURVIVING THE TRANSFORMATION

Depression-proof your business. To compensate for a potential future loss in the value of your business if/as economic conditions worsen, consider using stock options. Identify one or more corporations whose business is similar to yours, and which trade options on their stock; here's [one listing](#).

Determine how much loss your business might experience. Deduct the amount of loss you would be willing to bear. As with any insurance, the bigger the "deductible," the smaller the "insurance" premium. Multiply the net amount to be insured by .0017 (1/6th of 1%). This is the amount you should invest monthly in option insurance. Your "premium" should then be invested in put options spread across the companies you have selected.

Emergency checklist. In these treacherous times, you should have a disaster recovery / business continuity plan in place that would sustain operations during times of great stress. Also consider if, in your absence, your employees would know:

- locations of all exits and fire extinguishers;
- where to meet in case of an evacuation;
- how to turn off gas, electricity and water;
- a safe spot in case of an earthquake or other natural disaster.

You should also have a list of employees' emergency contact information to call after a disaster, and might want to have a three-day supply of food and water for employees and customers. And you should be prepared to handle special needs of employees and customers.

Michael Tellingner [explains here](#) how he successfully created and paid the banks with his own promissory notes.

If concerned about losing data in the event of a massive solar X-flare or tactical EMP over the US (see Appendix G), you could consider encrypting a backup set for storage on the other side of the world. One source for doing this is [Mega](#), in New Zealand.

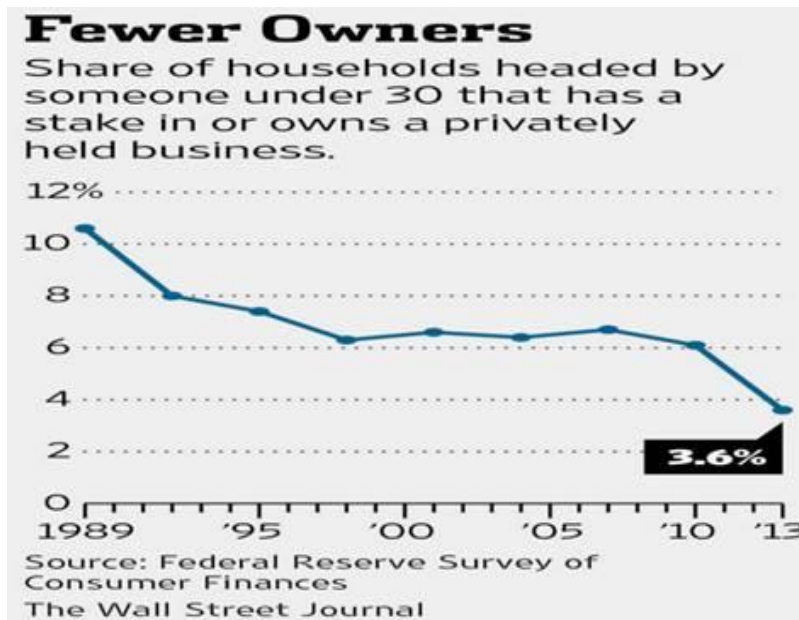
Crowdfunding continues to grow as an avenue for funding a new business. There's even an organization that has been established to facilitate crowdfunding using [an IRA](#). More will be coming later.

Private lending is on the increase. Lee Bellinger wrote that North Dakota has lent locally since 1919 through a state-owned bank. The [Bank of North Dakota](#) funds projects at substantially lower cost for residents of at least 6-months. Let's see how they fare during the oil patch shakeout.

America is in the worst monetary crisis since the Civil War. Once this crisis peaks, unregulated person-to-person funding may be one of the few remaining rungs of the ladder for entrepreneurial Americans to pull themselves back up. You, with your stash of precious metals, might find yourself in an envious position of acting as an alternative bank .. or be the spark that rebuilds you community, while earning a healthy profit in the process.

Unfortunately, **small business ownership** in America is on the decline. According to the Federal Reserve, the percentage of American families that own a small business has fallen from 13.3% in 2010 to 11.7% today—the lowest level ever recorded. Small business, which has always been America's growth engine, is languishing under increased regulations and a lack of capital. This is NO ACCIDENT! The percentage of American families that own a small business has fallen from 13.3% in 2010 to 11.7% today.

The **Wall Street Journal** reported that the U.S. "startup rate"—new firms as a portion of all firms—fell by nearly half between 1978 and 2011. The sad reality is the ["American Dream" for young Americans is over](#). Only 3.6% of households headed by adults younger than 30 owned stakes in private companies; that compares with 10.6% in 1989.



Gallup reports that for the first time ever there are [more US businesses closing than starting up](#). The US now "ranks 12th among developed nations in terms of business startup activity," behind Hungary, Denmark, Finland, New Zealand, Sweden, Israel and Italy... "Why are Americans getting poorer? No new businesses (net). No new net jobs. No new wealth. Under Obama and Draghi, crony capitalism flourishes. Real capitalism dies." This is not simply an oversight!

We are assuming for the rest of this chapter that we will overcome the Controllers—eliminate the Federal Reserve, kick out corrupt politicians, and survive. If we don't, you can read about our future in

"1984" or "Atlas Shrugged." We believe that divine intervention is in play here and that **humanity will prevail** over the Controllers.

BUSINESS TRENDS

Major trends directed toward money saving, productivity increasing, low cost/hi tech and life enhancing "Selective Technology" products and services which are already open for exploitation with high growth expectations and long life spans include:

- Businesses associated with free energy devices, which will TRANSFORM the world.
- The self-sustaining off-the-grid movement (see "Intentional Communities" in Chapter 9).
- Enviro/Smart materials and methods.
- Clean water and healthy organic food products.
- Whole health/complimentary medicine.
- Affordable elder care supplies, ergonomically-designed equipment, facilities and furnishings.
- Made in America and buy-local enterprises: products, distribution and marketing.

Here are some additional business ideas—some for now, some for the future:

- Security systems which protect home owners and businesses from an inevitable avalanche of burglaries (or worse) as the economy craters—includes alarms, sensors and services. Weapons and ammunition manufacturers will also continue to flourish.
- High quality tools, especially those made in America.
- Trading posts, which utilize barter and purchases with gold and silver coins/bars. These are springing up everywhere; here: <http://www.opencurrency.com/directory> is a list of merchants that will barter.
- Products and services designed to help individuals get off the grid.
- Custom-designed diet and fitness programs.
- Dealerships for lower-priced automobiles from China and India.
- Transition of web-based entertainment to TV.
- A trend to "elegance" (Trends Research) in fashion, art, architecture – lifting people's spirits.
- Self-organized collectives. (see Chapter 9)
- Technology for the poor.
- New Electrics. (Chapter 9).
- An increasing demand for cyber security.
- A comeback by vinyl records, driven by millennials desire for old-school values.
- Millennials choosing cities over suburbs, due largely to debt loads and a lack of jobs.
- A tough road ahead for casino gambling; the industry is downsizing.
- Investments from China continue to flood into U.S. buildings and businesses.

More Trends from Gerald Celente and his [Trends Journal](#):

- **Price wars** are here and will increase. There's a shortage of people with enough money to buy the excessive products that are flooding the global marketplace.
- **Bankism.** Central and private banks are keeping bond and stock prices propped up for the first half of the year. In their efforts to survive, banks now want your cash.
- **Grand manipulation** of all major financial markets is now well-recognized. But manipulating banks and other insider entities may receive fines, but no one will be jailed.
- **Selfie journalism** will force the "final transition of making strategic/business models primary for traditional newspaper operations." Beat reporters are being replaced by multimedia journalists whose work is assessed by the number of their followers on social media.
- **Dominant energy.** US shale oil and gas are becoming part of the world's baseload fuel supply, and alternative technologies are stepping onto the main stage.

- **Retrograde 2.0.** "The distant past holds more promise than today and tomorrow' for millennials.
- **Artful aging.** Entrepreneurs are increasingly focusing on boomers and seniors, who bring enormous spending potential for products and services that ease the ill effects of growing older.
- **Longevity centers** also target seniors, which represent a \$3 trillion-plus market in the US alone.



- **Find a niche** and cover it. One idea is that major newspapers are stretched too thin to cover everything. So if you are a writer, find a local "open" area and write on subjects in which people are interested. For example, "news about school districts, town governments, government/politics, health care, the elderly and many others."
- **New approaches to obesity** are needed. In addition to clinics and weight-loss treatments, what is needed is "layered, multi-discipline regimes that emphasize a variety of homeopathic and natural health approaches. There is ripe opportunity here for health practitioners, particularly those addressing modest obesity and weight gain that forms in mid-life."
- Aging boomers need more **healthy-living advice** and products. Overlooked by advertisers, seniors need products such as motorized scooters, emergency alert systems, pocket light-up magnifiers to read small print and health and fitness services and products—from exercise program DVDs to healing food guides.
- What market is not being served? How about "the one that is alienated and **hungry for quality**? Since "more discerning" equals "more educated" which equals "more affluent," it is a very profitable market. And it is wide open.
- **Citizen science.** "Thousands of volunteers worldwide are scrutinizing their computer screens, helping with tasks such as classifying animal photos, studying astronomical images, counting sea stars and examining cancer cell images. Though the majority have no technical training, they're contributing millions of dollars' worth of research time"—most of it for free.

Other potentially viable business models. The world of the future as we envision it will be more localized. Back to the 1900's in a way. Residents will personally know their elected government individuals and service people such as bankers. What will be needed?

- Items made with 3D printers.
- Aquaponic gardening – in old warehouses?
- Businesses that teach people to be self-sufficient.
- Converting trash into something useful.
- Anything that uses empty buildings. (There are no empty warehouses in Colorado – legalizing pot has produced a boom in real-estate.)

If electricity is available, the **3D printer** will put out of business many manufacturing plants. However, people who know how to program the printers and produce downloadable plans for manufactured items

should do very well producing solar panels, wind turbines, alternators and quantum energy machines, and much more.



Here's a "niche" example: a pool table manufacturer noted that a certain bolt which was no longer manufactured was essential to make and refurbish pool tables; he would have paid \$40 each to get them. Instead of ill-fitting replacement bolts, what if someone used a 3D printer to make the bolts he needed?

Although hard to believe, [new 3-D printing technology](#) exists that puts quasi-familiar 3-D printers in an "old-fashioned" category. New printers make smoother intricate objects from a pool of resin—technically "CLIP" (continuous liquid interface production technology). Amazing!

There will most likely be a need for purifiers to produce pure un-radiated water and food grown under chemtrailed skies. We will see greenhouse builders, small fruit and vegetable stands and people living on less without huge loans to bog them down. And businesses making and putting up inexpensive but visually pleasant [homes](#).

REICs. The Trends Journal documented the rise of real estate investment cooperatives, a new approach to grassroots economic development. In a REIC, residents pool cash to buy derelict buildings, rehab them and recruit businesses that neighbors would support. The REIC then uses proceeds from rent or the sale of the building to do the same for nearby structures. Although these ventures are profit-seeking, the real bottom line is economic revitalization.



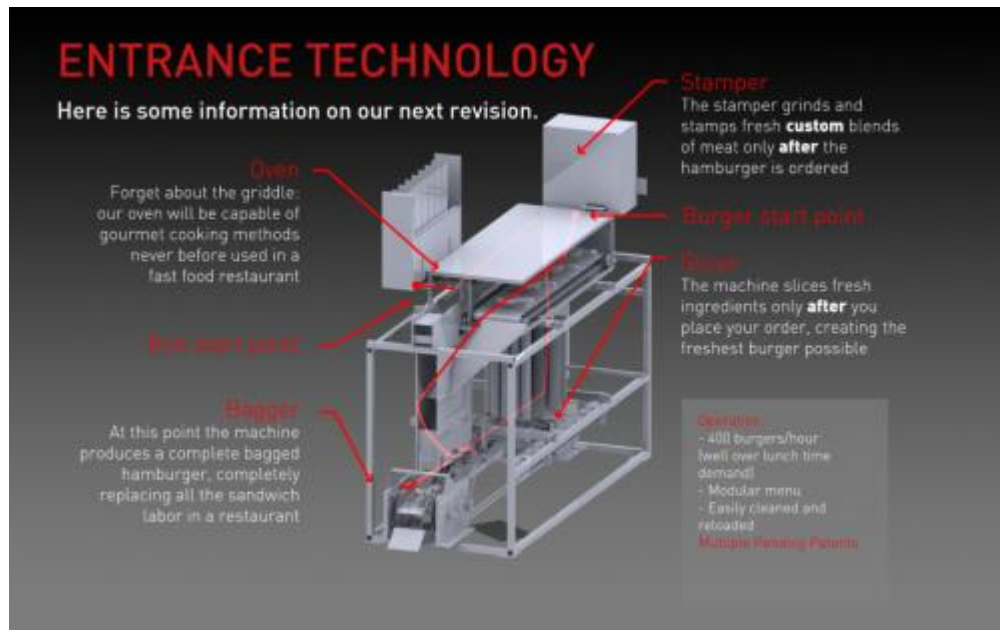
From brown to "green." The Journal reported on a \$30 million project organized by the private AeroFarms company to convert abandoned buildings into a "maker's village," which will produce up to 2 million pounds of herbs and leafy greens after June, creating 78 jobs and hosting a job-training program for area residents. The project will also generate on-site energy and recycle water, and it will reserve a portion of the space for public recreation.

"Financially-strapped cities, particularly smaller to mid-size municipalities, will find it increasingly attractive to partner with investors on similar types of projects, revitalizing crumbling infrastructure in the process. This trend line also bolsters the farm-to-table movement, which continues to gain momentum."

EMPLOYMENT

Robots are becoming "[cheaper than any human worker](#)." How can this not lead to riots and chaos, as jobs are lost to robotic workers who work around the clock, never complaining or asking for a raise? Millions and [millions of individuals](#) are going to be affected by this development. Here, for example, is a story about an autonomous [construction robot](#) capable of laying bricks into pre-programmed structures.

And here is a robot that has been developed to make hamburgers. It can shape burgers from ground meat, grill them to order with the specified amount of char, toast buns, add tomatoes, onions, pickles and place it on a conveyor belt. It is much smaller and more efficient than most assembly-line food operations. It provides "gourmet cooking methods never before used in a fast food restaurant" and will deposit the completed burger into a bag. It does all of this without a trace of attitude. Currently striking food workers are going to hurry this development along!



The Changying Precision Technology Company [replaced 590 workers](#) at its Dongguan factory with robots and achieved a 162% increase in production, while the defect rate dropped from 25% to below 5%.

The Trends Journal forecasts that the synergy of robotics and artificial intelligence will result in "robots becoming pervasive and mainstream in 2016."

The robotic threat to the livelihoods of low and middle skilled workers could almost wipe out human workers in jobs from cooks to truck drivers. A University of Oxford [professor predicts](#) that in the US 47% of 702 occupations will be overtaken by computers in the next decade or two. That would also include police, the military and even Uber drivers.

This subject can go even deeper. [When machines can be equipped](#) with "brains" that are faster and more accurate than a human brain (an event prophesied for 2025 by Ray Kurzweil) will humanity itself not be at risk? Food for thought!

Free college! BBC News published an [article](#) describing how and why an increasing number of Americans are getting a university degree for free in Germany. What's in it for Germany? It's bringing in knowledge and know-how from other countries, which can result in start-ups and jobs when the students graduate. Instructions for application are contained in the article.

Future jobs. This [article presents one view](#) of "how to make sure you'll be employable in the world of the future." Although most of the jobs of the future haven't been invented yet, the author lists some of the

generic skills that should be of value—although his projection is straight-line, without consideration of a transformational shift.

Home food production. Lisa Ann Monckton [writes here](#) about her Sacramento, CA business and offers advice. “Foodscapes Organic” employs 3 to 8 casual workers and brings in an income of \$2,100 per week by growing organic vegetables in the yards of about 200 customers.

Individuals without business experience should know that the best way to start and grow a new business is to keep it in a “hobby” status for as long as you can.

Coming home. The third annual survey of US-based manufacturing companies with sales of at least \$1 billion showed that their companies were increasingly [moving operations from China](#) back to the US, where they can draw on more highly skilled labor. Another reason is that labor costs are rising in China and are forecast to decrease in America.

Healthcare. Obamacare is only the latest driver of mass confusion in the world of healthcare. Navigating the maze of rules, regulations and actual practice is nearly impossible for the average person. Thus, the need for **Patient Advocates** is expanding rapidly. Such advocates already work for hospitals, the government and insurance companies (for their bottom lines) .. but why not directly for patients? Volunteer groups across the country provide these services, but there is also acknowledgment that the growing complexity of the environment is driving the responsibility beyond the handling abilities of a volunteer.

Advocates are needed in growing numbers to deal with mistakes on medical bills, negotiating health care costs between providers and patients, creating long-term health care plans and understanding the bureaucracy in dealing with changes in Medicare and Medicaid. They can assist patients in selecting health care professionals to match their needs and determine treatment plans and serve as go-betweens to interpret and execute complex paperwork. They even help patients manage prescriptions and medication regimens. For people who can afford the service, hiring an advocate that serves the patient’s needs is the best alternative. For the right person, this will soon become a thriving job market.

And how about small alternative health businesses? Options are narrowing under Obamacare and people will have to do something! In addition to concierge care and religiously-oriented self-funded cooperatives, we can see a resurgence of **natural/alternative care centers**.

Finally, it seems likely that contrary to a **trans-humanistic** future (a topic for another time) it seems more likely that we will have enlightened humans who will outperform any type of hybrid machine.

Education. The modern [university system produces little more than student debt](#). In the world of the future, book learning is likely to be replaced by practical learning; perhaps learning by apprenticeships will reappear. And from a tiny number 20-years ago, the number of home-schooled children in the US now exceeds a million, most of whom test head-and-shoulders above kids who are trapped in the government-run school system.

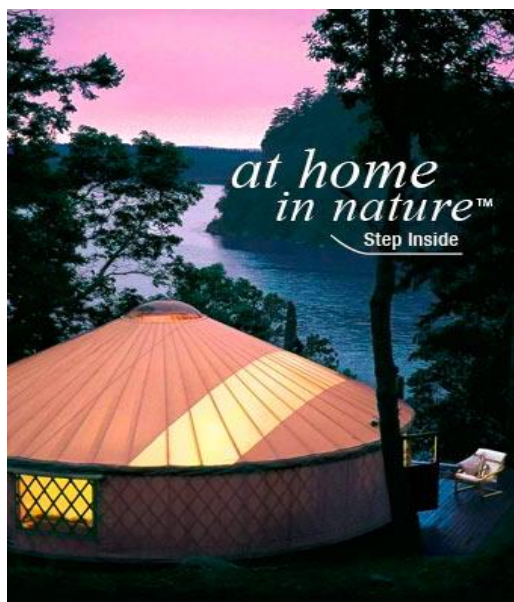
Jim Sinclair noted that “having given a great deal of thought where my grandchildren are concerned, they must be free to follow their heart’s desire to determine their own futures **AFTER they have mastered a trade**, such as nursing; care of special needs people; behaviorist to the challenged; carpenter; plumber; electrician; mechanic; farming; animal husbandry; commercial fishing; long haul trucking; and dirty jobs.”

Dan Price created a firestorm in 2015 by deciding to pay his employees a \$70,000 minimum wage—which he helped fund by reducing his own salary from \$1.1 million to \$70k. The 31-year old owner of Seattle-based Gravity Payments endured insults from Harvard Business School, Hollywood and Rush Limbaugh and a lawsuit from his brother, but turbocharged the company.

[Revenues and profits have doubled](#) and the company’s customer retention rate climbed from 91% to 95%. The publicity he’s received boosted new customer inquiries from 30 per month to 2,000 within two weeks.

"I want the scorecard we have as business leaders to be not about money, but about purpose, impact and service."

During the transition, some of the things people will be interested in are water purifiers, organic food, greenhouse builders, solar panels, wind turbines and inexpensive but visually pleasant homes (yurt, anyone?).



There are 40-million refugees in the world. These beautiful [woven tents](#) harness power from the sun while allowing refugees to live with dignity and greater comfort.

Tiny homes on wheels are becoming home-sweet-homes for a number of millennials. They're simple, efficient, with 150 – 200 square feet; and they're portable, avoiding property taxes.



We are very optimistic that we will successfully complete this transformation and move from surviving to thriving. And when we do, what will really shine again in America will be the contributions of hundreds of thousands of entrepreneurial individuals and small businesses—the kind that made America great, although perhaps with a futuristic tenor.

Definitions

3D Printing is a process for making a three-dimensional solid object of virtually any shape and material from a digital model. It is achieved using an additive process, where successive layers of material are laid down in different shapes.

Bail-in is the term given to the process used in 2013 to deal with the insolvency of two banks in Cyprus. As contrasted with "bailouts," in which taxpayer money is used to bailout failing institutions, "bail-ins" involve the use of depositor money to restore failing banks to solvency. Bail-ins are now expected to be used in conjunction with bank problems around the globe.

Barter is a system of exchange by which goods or services are directly exchanged for other goods or services without using a medium of exchange, such as money.

Black swan is a term use to refer an event that comes as a surprise, has a major effect, and is often inappropriately rationalized after the fact with the benefit of hindsight. The term was popularized by Nassim Taleb, and relates to the fact that the preponderance of swans are white.

Bond vigilantes are bond market investors who protest monetary or fiscal policies they consider inflationary by selling bonds, thus increasing yields. In the bond market, prices move inversely to yields. When investors perceive that inflation risk or credit risk is rising they demand higher yields to compensate for the added risk. As a result, bond prices fall and yields rise, which increases the net cost of borrowing. The term references the ability of the bond market to serve as a restraint on the government's ability to over-spend and over-borrow.

Bull markets are those that are moving upward, accompanying by increasing investor confidence, and increased investing in anticipation of future price increases. A bullish trend in the stock market often begins before the general economy shows clear signs of recovery. **Bear markets** are the reverse: prices fall, along with confidence.

BRICS is the acronym for an association of five major "emerging" national economies: Brazil, Russia, India, China and South Africa. The grouping is distinguished by their large, fast-growing economies and significant influence on regional and global affairs; all five are G-20 members. As of 2014, the five BRICS countries represent almost 3 billion people, with a combined nominal GDP of US\$16.039 trillion, and an estimated US\$4 trillion in combined foreign reserves.

Capital is the term used in business for money and wealth used to acquire goods and services. Control of capital is the primary means of creating wealth.

Central banks are institutions that manage a state's currency, money supply and interest rates. Central banks also usually oversee the commercial banking system of their respective countries. In contrast to a commercial bank, a central bank possesses a monopoly on increasing the amount of money in the nation, and often also prints the national currency, which serves as the nation's legal tender. The Federal Reserve is the central bank for the United States.

COMEX is an acronym for the Commodity Futures Exchange, part of the New York Mercantile Exchange (NYMEX), located in New York. The NYMEX handles billions of dollars' worth of energy products, metals, and other commodities being bought and sold on the trading floor and in overnight electronic trading. Prices set on the exchange are generally the basis for prices that people pay for various commodities throughout the world. The COMEX handles futures trades for gold and silver, and is controlled by the CME Group.

Commercials is a term used to refer to financial entities that are major players in the physical gold and silver futures markets. Mining companies routinely use futures exchanges to hedge their metals sales and metals fabricators (e.g. jewelry companies) use the exchange for purchases. Volume on today's futures exchanges are dominated by the trades of bullion banks such as JP Morgan, which buy and sell to make a

profit—in the process, manipulating the price. Some feel that the largest banks act in partnership with the US Treasury, whose objective has been to suppress the price of gold.

Concierge care is a medical relationship between a patient and a primary care physician in which the patient pays an annual fee or retainer. With the advent of the Affordable Care Act, an increasing number of doctors are refusing to accept insurance and are instead dealing directly with patients. In exchange for a retainer paid for by the patient, doctors provide enhanced care.

Credit is a financial concept which allows one party to provide resources to a second party, which does not reimburse the first party immediately, thereby generating a debt, due to be repaid at a later date. One of the greatest weaknesses of modern financial system is its overreliance on bank credit.

Deflation is a decrease in the general price level of goods and services. Deflation occurs when the inflation rate falls below 0% (a negative inflation rate). This should not be confused with disinflation, a slow-down in the inflation rate (i.e., when inflation declines to lower levels). Inflation reduces the real value of money over time; conversely, deflation increases the real value of money – the currency of a national or regional economy. This allows one to buy more goods with the same amount of money over time.

DOD is an acronym for the US **Department of Defense**, which is the executive department of the US government responsible for coordinating and supervising all agencies and functions of the government concerned directly with national security and the United States Armed Forces. The Department is the largest employer in the world, with more than 2.1 million active duty soldiers, sailors, marines, airmen, and civilian workers, and over 1.1 million National Guardsmen and members of the Army, Navy, Air Force, and Marine Reserves.

Entitlements are guarantees of access to something, such as to welfare benefits, based on established rights or by legislation. In this document, we are referring to federal government programs that provide individuals with personal financial benefits, specifically Social Security, Medicare and Medicaid, most Veterans' Administration programs, federal employee and military retirement plans, unemployment compensation and food stamps.

Eugenics is the belief and practice of improving the genetic quality of the human population. It is a social philosophy advocating the improvement of human genetic traits through the promotion of higher reproduction of people with desired traits (positive eugenics), and reduced reproduction (or elimination) of people with less-desired or undesired traits (negative eugenics).

ETFs: An **exchange-traded fund** is an investment fund traded on stock exchanges, much like a stock. It holds assets such as stocks, commodities, or bonds, and trades close to its net asset value over the course of the trading day. Most ETFs track an index, such as a stock index or bond index. ETFs can be bought or sold at anytime in the trading day, whereas mutual fund purchases and sales take place only at the close of trading.

False flag is a term used to describe a covert military or paramilitary operation designed to deceive in such a way that the operations appear as though they are being carried out by other entities, groups or nations than those who actually planned and executed them. False flag operations may also be carried during peace-time by civilian organizations, as well as covert government agencies. Recent false flag incidents include 9-11 and bombings in Oklahoma City, the London subway, and at the Boston Marathon.

FASB. The Financial Accounting Standards Board is a private, not-for-profit organization whose primary purpose is to develop generally accepted accounting principles (GAAP) within the US in the public's interest. The Securities and Exchange Commission (SEC) designated the FASB as the organization responsible for setting accounting standards for public companies in the US.

The **Federal Reserve** or **Fed** is a central bank—an independent private banking system that was created in 1913 with the enactment of the Federal Reserve Act. It is owned by twelve member banks located in major US cities, but ownership of those banks is not disclosed to the public because it is primarily

European. Congress charged the Fed with setting monetary policy to achieve maximum employment, stable prices and moderate long-term interest rates. In the past several decades, the Fed has extended its operation far beyond the “tools” it is supposed employ, namely the setting of reserve requirements and discount rates for its member banks, and the short-term federal funds rate. Here is an extended discussion in [Wikipedia](#); the real story of the Fed is indicated in this book and detailed in books by Jim Marrs and G. Edward Griffin, listed below.

Fed balance sheet. Like a corporation, the Fed maintains a balance sheet.

FEMA. The Federal Emergency Management Agency is an agency of the United States Department of Homeland Security, created in 1978 with a primary purpose of coordinating the response to disasters that occur in the United States that overwhelm the resources of local and state authorities. The governor of the state in which the disaster occurs must declare a state of emergency and formally request from the president that FEMA and the federal government respond to the disaster. FEMA’s performance in the wake of Hurricanes Katrina and Sandy speaks for itself.

Fiat money is currency declared by a government (i.e., by government fiat) to be legal tender. Although the currency can be accompanied by convertibility to a real asset (such as gold or silver), since 1971 no currency in the world has any tangible backing; hence, all are fiat money.

FRB. The Federal Reserve Board of Governors is the main governing body of the Federal Reserve System, charged with overseeing Fed banks and implementing US monetary policy.

FRN. Federal Reserve Notes are a more accurate term than “dollar” for the paper money you carry in your wallets. Take a look at one. They are fiat money (“this note is legal tender for all debts, public and private”), issued by the Federal Reserve, but not redeemable for anything.

GDP. Gross Domestic Product is a measure of the market value of all officially recognized final goods and services produced within a country in a year, or other given period of time. GDP per capita is often considered an indicator of a country’s standard of living. It can be calculated by adding product produced, or incomes received or product consumed (expenditures).

HAARP is an acronym for High Frequency Active Auroral Research Program, a US DARPA program whose purpose was to analyze the ionosphere and investigate the potential for enhancing radio communications and surveillance. Very low frequency signals are bounced off of the ionosphere and used to detect or control events in other areas of the world. The US established an initial array in 1993 in Alaska. Stories abound on HAARP’s ability to control weather, influence battlefield behavior, etc.

Hyperinflation occurs when a country experiences very high and usually accelerating rates of monetary and price inflation, causing the population to minimize their holdings of money. Under such conditions, the general price level within an economy increases rapidly as the official currency quickly loses real value. Meanwhile, the real value of economic items generally stay the same with respect to one another, and remain relatively stable in terms of foreign currencies. Wikipedia cites cumulative inflation of at least 100% over 3 years as constituting hyperinflation.

Illuminati (meaning enlightened) was the name supposedly given to a movement founded in 1776 in Germany and is often associated with a secret organization said to be conspiring to control world affairs by masterminding events and pulling the strings of political and economic power.

IMF. The International Monetary Fund is an international organization formed in 1945 which dispenses contributions from 188 member countries to nations in need with the objective of “fostering global monetary cooperation, facilitating international trade, reducing poverty,” etc, etc. In reality, its “Special Drawing Right” is used to convey purchasing power to recipients, and the SDR (see below) seems to be the Controller’s choice as a replacement for the US dollar as world reserve currency.

Inflation is a persistent increase in the general price level of goods and services in an economy over a period of time; that’s the definition of inflation passed on to the general public. The more relevant

definition of inflation for our time is the creation of excessive currency—which in turn will cause an eventual rise in prices.

Just-in-time delivery is a production strategy that strives to improve a business' return on investment by reducing in-process inventory and associated carrying costs. One effect of its wide adoption by retail outlets is that if the transportation system is disrupted due to an emergency, supermarket shelves would be emptied in a short time.

LBMA. The London Bullion Market Association is the other major futures trading market (besides COMEX) for gold and silver bullion. Trading is conducted among members, loosely overseen by the Bank of England.

Lehman Brothers was a global financial services firm that went bankrupt in 2008, due to excessive losses incurred in the derivatives market. During bankruptcy proceedings, assets held by Lehman were sold to other entities for a small fraction of the value for which they had been listed on its balance sheet.

Long/short. A long position in a stock or bond means the holder of the position owns the security and will profit if the price of the security goes up. In contrast, a short position in a futures contract or similar derivative means that the holder of a position will profit if the price of the futures contract or derivative goes down.

Monetization is the process of converting or establishing something into legal tender. It usually refers to the coining of currency or the printing of banknotes by central banks.

NPV. Net Present Value is a standard method for using the time value of money to appraise long-term projects, recognizing that in today's inflationary world a dollar today is worth more than a dollar in the future. It sums the present values of one or a number of individual future values by discounting the future values back to the present time using a discount rate—normally an interest rate.

Partial self-funding. Self-funded health care is a self insured arrangement whereby an employer provides health or disability benefits to employees with its own funds. This is different from fully insured plans where the employer contracts an insurance company to cover the employees and dependents. In partial self-funding, the employer mitigates the financial risk of self funding claims under the plan by purchasing stop loss insurance from an insurance carrier.

PBGC. The Pension Benefit Guaranty Corporation is an independent agency of the US government whose function is to oversee voluntary private defined benefit pension plans, collect pension insurance premiums and pay pension benefits for failed plans up to a maximum guaranteed benefit set by law.

P/E ratio. The price-to-earnings ratio is an equity valuation multiple, defined as market price per share divided by annual earnings per share. Although there is just one market price for a stock (today's), earnings (the denominator) can be calculated using a company's prior earnings ("trailing P/E") or projected future earnings ("forward P/E").

Petro-dollars are US dollars earned by a country through the sale of its petroleum to another country.

Rehypothecation occurs when banks or broker-dealers re-use the collateral posted by clients such as hedge funds to back the broker's own trades and borrowing.

The **renmimbi** is the official currency of the People's Republic of China. The yuan is the basic unit of the renmimbi, and is also used as a synonym of the currency, especially in international contexts. One yuan is subdivided into 10 jiao, and a jiao is further subdivided into 10 fen.

SDRs. Special drawing rights are supplementary foreign exchange reserve assets defined and maintained by the IMF. Not a currency, SDRs instead represent a claim to currency held by IMF member countries for which they may be exchanged. As they can only be exchanged for euros, renmimbi, yen, pounds sterling or US dollars, SDRs may actually represent a potential claim on IMF member countries' nongold foreign

exchange reserve assets, which are usually held in those currencies. While they may appear to have a far more important part to play or perhaps an important future role, being the unit of account for the IMF has long been the main function of the SDR.

SIFI. A systemically important financial institution (SIFI) is a bank, insurance company, or other financial institution whose failure might—in the opinion of banking regulators—trigger a “financial crisis.”

SNAFU (Situation Normal All Fouled Up) is a military term, known by everyone who served, referring to the usual lack of organization, control, common sense, etc.

Sovereignty is the quality of having independent authority over a geographic area, such as a territory. Sovereign nations are independent of outside influence and can guarantee the best interests of its citizens or subjects.

Substitution is an economic concept being used by the US government to understate the rate of inflation. It deals with substitute goods which, as a result of changed conditions, may replace each other in use or consumption. For example, if the price of steak rises out of your price range you can purchase and consume hamburger and obtain the same nutritional benefit.

TBTF. The "too big to fail" theory asserts that certain financial institutions are so large and so interconnected that their failure would be disastrous to the economy, and they therefore must be supported by government when they face difficulty.

USD Index The US Dollar Index (USDX) is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value compared only with "basket" of 6 other major currencies which are: euro, 57.6%, yen 13.6%, pound sterling 11.9%, Canadian dollar 9.1%, Swedish krona 4.2%, and Swiss franc 3.6%. USDX goes up when the US dollar gains "strength" (value) when compared to other currencies.

ZIRP. Zero interest-rate policy is a macroeconomic concept describing conditions with a very low nominal interest rate, such as those in contemporary Japan and, since December 16, 2008, in the United States. It can be associated with slow economic growth. Under ZIRP, the central bank maintains a 0% nominal interest rate. Conventional monetary policy is supposedly at its maximum potential to drive growth under ZIRP.

Recommended Resources/References

Videos

"Thrive" is a full-length movie which tells the story of the operation of top-level globalists and their plans and actions to rule the world; and what we can do to restore our country and way-of-life. Buy the movie or watch it for free at <http://www.thrivemovement.com>. Better yet, join one of their action groups.

"Elite Plans for 2016," "The New Elite in 2015" and "Special Events Scheduled for 2015"—DVD-sets produced by Lindsey Williams. Order at <http://www.lindseywilliams.net>.

"End of the Road" <http://100thmonkeyfilms.com/endoftheroad> is a 2013 film that offers projections about where US and global economies are headed.

"Monopoly Men" is a 1999 movie narrated by Dean Stockwell, covering money, banking and the Federal Reserve. View it on You Tube, starting here: <https://www.youtube.com/watch?v=cItoilNxdCs>

"America: Freedom to Fascism" is an award-winning full length movie produced in 2007 by Aaron Russo. To view online, go to www.freedomtofascism.com and click on "watch for free – on Google." It's the only movie I have attended in the last 30 years that received a standing applause by a theater audience.

"Citizen Four" is a movie about Edward Snowden which recently won an Oscar for Best Documentary film. You Tube has banned it, but [here is the full movie](#), from Sweden.

An outstanding, older video on the North American Union is at www.stopthenau.org. Click "online media" to bring up the video.

An Aaron Russo interview with Alex Jones revealed that Nick Rockefeller tipped off Aaron about 9-11. <https://www.youtube.com/watch?v=YGAaPjqdbgQ> or Google Reflections and Warnings, Alex Jones. (Aaron subsequently died of cancer.)

Jesse Ventura starred in "Conspiracy Theory," an investigative TV program which ran for three years, examining "conspiracies." You can watch episodes at <http://www.conspiracytheoryjesseventura.com>.

"The Big Short" is a current movie about the collapse of mortgage-backed derivatives in 2008, as seen through the eyes of hedge fund managers who profited. Well worth viewing.

Books

"Rule by Secrecy" by Jim Marrs is my top choice for information on the workings of the global banking cartel and its plans and operations. His recent book "Population Control," expands on the theme that a global syndicate that controls guns, oil and drugs is consciously destroying American values and health.

"The Death of Money: The Coming Collapse of the International Monetary System" is a 2015 release from James Rickards, packed with relevant financial information and analysis.

"The Creature from Jekyll Island" – a classic book written by G. Edward Griffin that tells the full story of the creation of the Fed is highly recommended reading.

"The Great Deformation," a documentary on the engineered financial fall of the US – written in 2013 by David Stockman, Congressional Budget Office Director during the Reagan presidency.

"Dare to Prepare" is the best survival manual of which I am aware; it's very comprehensive and published by Holly Deyo (contact information below).

If you would like to get a feel for the kind of conditions that may face us if things get really out of hand, I recommend:

- “One Second After” – William R. Forstchen
- “Patriots” – James Wesley Rawles

I also have the narrative of a gripping story of a survivor of the 1992-95 war in Bosnia: food consisted of pigeons or rats; police were displaced by roving gangs; and so on. A real story. Let me know if you’d like to read this individual’s account, and I’ll email it to you.

Websites and radio

Martin **Armstrong** is an astute and controversial market analyst, originator of the global Economic Confidence Model, and consultant to businesses and governments, who also posts excellent information for public consumption, writing from Switzerland: <http://armstrongeconomics.com>. Here’s an [independent writeup](#) on Armstrong, about whom a movie (“The Forecaster”) has been produced.

Pastor Chuck **Baldwin** is a freedom-loving American pastor who moved recently to Montana and writes a spiritually-based all-American weekly newsletter: <http://chuckbaldwinlive.com/>.

Bill **Bonner** is founder and prior chairman of Agora Financial, The Daily Reckoning website and author of several books, and now writing insightful and entertaining articles in Diary of a Rogue Economist, which can be accessed for free at: <http://bonnerandpartners.com/category/dre/>. He also has a subscription newsletter.

Ellen **Brown** is an attorney who founded the Public Banking Institute and writes on financial matters, natural health and other topics at her [Web of Debt](#) blog.

Caravan To Midnight <http://caravantomidnight.com> is hosted by John B. Wells, who left Coast-to-Coast to interview more controversial guests. John is a Texan who consistently brings freedom fighters onto his daily shows. A small fee is required to listen to or record his broadcasts.

Doug **Casey** founded Casey Research, which publishes a wide-range of investment-related material at <http://www.caseyresearch.com/room.php>. Casey is a highly-successful uber-contrarian.

Gerald **Celente** publishes the quarterly *Trends Journal*, and enjoys one of the best reputations for forecasting social, business, consumer, economic, political and technology trends at (www.trendsresearch.com). Celente has been widely interviewed by mainstream media.

Holly Deyo was one of my favorite sources of wide-ranging important news at www.standeyo.com, but now restricts postings to geo-physical news. Husband Stan is a physicist who shares insights on frequent radio appearances. The Deyos still sell “Dare to Prepare!”, the most comprehensive preparation “how-to” manual I have found.

Tyler **Durden** is a voracious blogger who posts daily on a variety of subjects, some of them a bit technical, at www.zerohedge.com. Durden’s coverage of US market developments is in a class by itself. Many of the hyperlinked articles in this book are from *Zero Hedge*.

Daniel **Estulin** (www.danielestulin.com) taps inside contacts to report meeting results of the secretive Bilderberger, Trilateral Commission, and Council on Foreign Relations groups.

Jean-Marie **Eveillard** (<https://www.feim.com>) is the allocation brain behind the value-oriented First Eagle family of funds and one of the most respected asset managers in the world.

Marc **Faber** publishes his Gloom, Boom & Doom Report from Hong Kong, highlighting future investment opportunities around the world. Marc’s views are covered regularly in interviews across mainstream media. http://www.gloomboomdoom.com/public/pSTD.cfm?pageSPS_ID=1000.

Catherine Austin **Fitts** is an ex-Assistant Secretary of Housing who publishes the Solari report at <http://solari.com/blog>. It covers a host of subjects, including politics, the economy and markets. In addition, Catherine is a strong proponent of local investing and crowdfunding.

Woody **Funderburk** is a personal friend who offers a unique service. [Capkey International](#) provides self-directed IRAs and 401k's that allow ANY INDIVIDUAL to set up a self-directed solo-401k that can invest directly in tangible assets—bullion, income property, operating businesses, etc.—without using a brokerage firm.

James **Grant** is editor of Grant's Interest Rate Observer, which provides skeptical criticism of the power structure with enough subtlety to allow him to be interviewed by MSM: <http://www.grantspub.com>.

Jeremy **Grantham** (www.gmo.com) is a high profile asset manager with an awesome research team who in early 2008 termed the economy a "slow-motion train wreck." Grantham is calling for "7 lean years" and a "VL"-shaped 'recovery. We've seen the "V;" the "L" is coming up (he says 2016-17).

G. Edward **Griffin** is author of "The Creature from Jekyll Island" (see "Books" above). Griffin's site <http://needtoknow.news> is also an excellent weekly source of freedom- and health-oriented information.

Bill **Gross** founded PIMCO, which became the largest bond fund in the world. A 40-year market veteran, Gross PIMCO in 2015 for Janus. His monthly commentary at <https://www.janus.com/bill-gross-investment-outlook> is insightful and outspoken and his views receive plenty of MSM attention.

Douglas **Hagmann** is a private investigator who conducts penetrating 3-hour nightly internet radio interviews with son Joe at <http://www.hagmannandhagmann.com>. Three years ago, Doug posted potentially-vital information from a high level Department of Homeland Security individual.

Clif **High** publishes "ALTA" reports from www.halfpастhuman.com—the result of 300 software "spiders" scouring the internet to locate subtle language changes coming from the future, which his software turns into specific predictions. HPH forecasted 9-11, the BP oil spill, Fukushima, the Chelyabinsk meteorite and it now says we're heading into a planetary economic depression, and more.

Dave **Hodges** is a political activist and researcher who writes and publishes in-depth articles on freedom-related topics at <http://thecommonsenseshow.com>. Situational reports he attracts from individuals located across the country often allow him to disclose potential insider plans.

Greg **Hunter** adds perspective to mainstream content with meaningful, hard-hitting video interviews at <http://usawatchdog.com>.

Independent Living News, <http://www.independentlivingnews.com>, a subscription service which provides practical monthly commentary and advice, is published by Lee Bellinger.

Alex **Jones** is a feisty Texan who pulls no punches and is one of my most enjoyable information sources. Alex posts and broadcasts on 2 websites: www.prisonplanet.com, and www.infowars.com.

King World News conducts interviews and posts synopses with gold-oriented opinions and forecasts on its blog: www.kingworldnews.com.

Kitco.com is one of a number of sites which provide real-time price information on precious metals and currencies: www.kitco.com. We track gold, silver and other market prices there.

The **Mises Institute** is the US focal point for Austrian Economics, a philosophy built on analyzing the purposeful actions of individuals, advocating property rights, the free market and sound money, while opposing taxes, price controls, capital controls, and other destructive government interventions in the economy. Institute articles can be accessed at www.mises.org.

News-with-Views emails freedom-oriented articles daily, written by a host of informed, independent writers. To receive them, just go to www.newswithviews.com and click "sign up for free email alerts."

Steve **Quayle** posts daily a great variety of informative and cutting-edge articles at <http://www.stevequayle.com/>.

Jon **Rappoport** is a 30-year free-lance investigative reporter and coach who publishes freedom-oriented material through a number of outlets: <http://www.nomorefakenews.com/index.html>.

Jim **Rickards** is the author of best-selling books "Currency Wars" and "The Death of Money." He consults with businesses and governments and receives wide mainstream media coverage. Jim also publishes a newsletter and posts material at <http://agorafinancial.com/editors/jrickards/>.

Lew Rockwell is an anti-state, anti-war, pro-market writer. He founded and is Chairman of the Mises Institute and posts articles at www.lewrockwell.com.

Jim **Rogers** co-founded the Quantum Fund with George Soros, then travelled the world twice, investigating investment opportunities. Now living in Singapore and preaching common sense in investing, he is also a favorite with MSM interviewers. <http://www.jimrogers.com>.

Richard **Russell** passed away in 2015, after writing about markets for over 60 years and being considered by some to be the dean of market commentary. His subscription service has been taken over by a group of writers, under his daughter's sponsorship, at <http://dowtheoryletters.com/>.

Jim **Sinclair** is a favorite source for factual and insightful information on precious metals developments, at www.jsmineset.com. A 50-year veteran of the gold and commodities markets, his free site offers insight into the world of gold and Jim is not afraid to make a prediction. Bill **Holter** is also now co-publishing his articles at jsmineset.

Brandon **Smith** (<http://personalliberty.com/author/brandonsmithpl/>) is a very insightful individual who publishes Alt-Market blog and also serves as Oath Keepers Associate Editor.

Charles Hugh **Smith** writes "Of Two Minds" at <http://www.oftwominds.com/blog.html> in a folksy, common-sense manner of observing investing, economics and the world in general.

Michael **Snyder** at <http://theeconomiccollapseblog.com> and Mac **Slavo** at <http://www.shtfplan.com> blog knowledgeably and regularly about financial and freedom issues.

David **Stockman** moved from a Michigan congressman to become budget director in the Reagan White House. His "The Great Deformation," details "the corruption of capitalism in America" and he hosts an enlightening financial/economic blog at <http://davidstockmanscontracorner.com/>.

Harmon **Taylor** is an ex-attorney whose practice assumes that the US has no constitution (see Appendix G), working in America and the States on cases involving income tax, eminent domain and transportation. He can be reached by email: Legal_Reality@earthlink.net.

John Williams is the economist behind Shadow Government Statistics, a subscription newsletter service that exposes and analyzes flaws in current US government economic data and reporting. It also features free summary employment and inflation statistics at <http://www.shadowstats.com>.

Lindsey Williams is an ordained Baptist minister who lived and formed friendships with senior oil company executives and other "elites" during construction of the Alaskan Pipeline. Two of these insider friends provide him information from time-to-time about global Controller plans—which he generally publishes in DVDs. <http://www.lindseywilliams.net>.

Appendices

A. BUYING AND HOLDING GOLD and SILVER

"Money is gold and nothing else." – J.P. Morgan

"Outright physical gold ownership, without pledges or liens, STORED OUTSIDE THE BANKING SYSTEM, is the only form of gold that is true money. Every other form is only a CLAIM on gold."
– Jim Rickards

WHAT ARE MY INVESTMENT CHOICES?

Gold you can fold. GLD and IAU are exchange-traded funds (ETFs) that have been trading on the NYSE for about 10 years. One share of either represents 1/10th ounce of gold, with values closely tracking the price of gold bullion. Physical bullion to back each issued share is SUPPOSED to be held in a bank vault (and subject to audit). SLV is a silver ETF with similar characteristics, with one share representing one ounce. Since their introduction, investing through these three large US exchange-traded funds has provided excellent results, in that GLD, IAU and SLV returns have nearly matched the performance of actual bullion.

However, even though investments in these funds are supposed to be used to purchase and store physical bullion, actual purchases are not confirmed, nor are individual positions segregated. Independent third party audits are not performed and released. Custodians are directly accountable for fund holdings to fund sponsors, but NOT to investors. And because neither the Trustee nor the Custodian of these funds (which are exempted from liability) oversee or monitor the activities of sub-custodians, there is a valid concern as to whether the ETF's advertised holdings are actually there.

Since the very nature and market structure of ETFs allows ownership to be leveraged, it is possible in a crisis that there will not be enough of the underlying assets to meet redemptions. Metals shortages on the exchanges may be spilling over to the large metals ETF's; [according to](#) fund manager Grant Williams in late 2013, GLD holders of redeemable \$14 million "baskets" were denied delivery of physical gold. When the objective of the fund is to track the price of gold and silver, it really doesn't matter whether the fund actually holds any metal! For doubters, and **especially for GLD holders**, consider [this recent story](#) about disappearing gold.

Further, concern has been expressed by several sources that custodians may be leasing ETF holdings, helping to hold down market prices, and that every share of GLD is allowed to be sold twice (long and short), which may explain why large GLD holders have been redeeming bullion in quantity. Buyers of these funds need to realize that they are being held to a lower standard of custodial regulation. Beware!

To make matters worse (as a simplified summary of a complicated subject) gains in these funds are taxed as ordinary income, with the collectibles rate of 28% being levied on long-term gains.

Canadian trusts. Coupled with potential counter-party risk, the above factors constitute a valid concern that under difficult circumstances these paper gold/silver positions might not be immediately redeemable for cash. Family Business Office's search for a better alternative to these large ETFs led us to Canada. There we settled on two fund families as the safest and most reliable means for holding physical gold and silver through a brokerage or other paper account. These fund families are the Central Fund of Canada and the Sprott Group.

Both fund families are privately held: CEF since 1961; and Sprott has been operating for eight years. Each of their funds is set up as a special industrial holding company, which can provide tax advantages (eligible for capital-gains treatment, if proper paperwork is filed). Each has separate gold and silver funds; Sprott also has funds for platinum and palladium. Both receive regular outside audits and hold deposits in unencumbered, segregated and allocated storage. Since they are open-ended funds, market prices contain a premium (or discount) to the spot price.

These holding companies and the earlier-described ETFs simply track the gold price; with them, you own a piece of paper. Paper gold is handy from an ownership standpoint, but it is not a substitute for outright physical ownership of gold. Therefore, since day one our recommendation has been to **buy (if at all possible) coins and bars rather than paper** bullion and always **take physical delivery of your gold and silver**.

Storage of bullion is a delicate subject. If you are unable or unwilling to hold bullion yourself, consider using a third-party storage company. Certain precious metals vaulting companies offer a private, safe and “secure” option for those worried about keeping too many valuables in their home. Private storage companies include Jim Turk’s [Gold Money](#), based in the UK, and [Perth Mint](#) in Australia. If you use such services, confirm that (1) your holdings can be visited and viewed personally or online; (2) legal ownership remains with you and no other party; (3) you can take possession expeditiously; (4) it is physically segregated; (5) bullion is audited (if located elsewhere). Get serial numbers for your holdings and ask the vaulter: “Does your insurance policy insure me against the storage company, any employee or consultant or associate stealing the gold by any method, including accounting fraud?”

Bullion storage through third-party facilities should only be done on an *allocated* or better yet *segregated* basis—meaning your metal will be physically separated from the metal held by the vault’s other clients. Any other form is madness in today’s world. If your gold or silver is allocated, it has a much greater chance of actually existing, and being physically returned to you when redeemed. By contrast, *unallocated* bullion is held with the assets of other clients and exposed to much greater risk of default. At a bank, unallocated bullion is actually owned by the bank.

A safety deposit box at a US bank is the worst possible storage location choice. The Patriot Act authorizes banks, in certain government-sanctioned instances, to freeze, inspect and confiscate the contents of your safety deposit box. During a crisis (such as that precipitated by FDR in 1933), gold held in a bank could be confiscated or the holder might (for example) be offered “face value” (\$50 for a one-ounce gold eagle coin).

We have prepared a guide to storing gold and silver at home. It’s attached as Appendix C.

What should I buy? **Bullion** coins and bars are the easiest to deal with; they are sold and bought for a “spread” above or below the current market (“spot”) price for gold. **Numismatic** coins trade for a significant premium over the gold content, determined primarily by the scarcity, desirability and physical condition of the coin (also see below). **Jewelry** is normally sold at a high markup above the value of the gold (or silver) in a ring, bracelet or necklace. Whatever you do, stay away from **private mint, commemorative** and other **mass-marketed** coins, which are always sold at a high (and unrecoverable) premium above their actual gold content.

Most popular bullion coins. The coin dealer’s “spread” to buy or sell coins will vary slightly from shop to shop, but should be in the range of 4 to 6% at a retail establishment (when the gold market gets “hot,” the spread may increase). Chinese Panda, Canadian Maple Leaf, Australian Kangaroo, Austrian Philharmonic and US Buffalo coins are all .9999 fineness. US Eagles and South African Kruggerands are .916 fine (containing a little zinc to make them harder). All contain 1 troy ounce (31.103 grams) of pure gold. And all except the Philharmonic are also available in ½, ¼ and 1/10th ounces.

Kruggerands were the most popular coin in the 1970’s gold bull market, and they tend to sell for the lowest premium over actual gold content. Today, the American Gold Eagle is the most liquid gold coin in the world and probably the best buy for Americans. The US Buffalo, using the design developed for the buffalo nickel, was minted starting in 2006 and is equal in desirability to the Eagle. The Philharmonic is very popular in Europe. NEVER accept bullion coins that have visible rim nicks, scratches, abrasions, chips, dents or discoloration (carbon or copper spots).

Gold bullion can also be bought in ingots (or bars), available in 1/10th oz, 1oz, 10 oz, 100 oz, kilo bars and up. Fineness varies from .995 - .9999. Coins can be easier to trade, since sales of larger bars may require an assay.

Gold you can break off and spend. A relatively new innovation is the CombiBar, manufactured in Switzerland by Valcambi. Fifty one-gram detachable squares of gold are minted on a credit card-sized sheath; they can be easily broken off to provide the purchasing power of a gram (1/30th ounce) of gold bullion. CombiBars have gained popularity in Europe but have not caught on in the U.S., due perhaps to the high premiums above the gold spot price (which are coming down). Gold dispensing machines are also catching on in the Mideast and Europe.

Numismatic coins command substantial premiums above their bullion values due primarily to their scarcity. In 1985, two third-party grading services—the Professional Coin Grading Service (PGCS) and the Numismatic Guaranty Corp (NGC)—began certifying coins, evaluating the rarity and condition of each coin they handle. Numismatic coins should be treated as collectibles, rather than investments, and buyers must be knowledgeable to insure that their investment will provide sufficient return to overcome stiff (15-30%) brokerage commissions.

One significant advantage of rare coins is the potential for discreetly moving large amounts of wealth across state or international borders. Under current US law, for example, undeclared money and coins exceeding \$10,000 in value leaving the US can be confiscated. Correctly estimating the value of a numismatic coin should be a stretch for a customs agent—although customs is improving its database.

Martin Armstrong wrote that there is a growing tendency for governments to consider stored gold bullion or cash as money laundering, as if to hide assets. He advises gold buyers to hold “common date \$20, \$10 or \$5 gold coins since bullion is likely to be a dirty word. Government may assume that bullion represents illegal gains, even if you can prove it is cash or gold you bought after paying taxes.” Armstrong is referring to “slabbed” coins—in other words, numismatic coins that circulated as money in the US before 1933, most of which have now been graded as to rarity and condition.

Since a large quantity of these coins still exist, extraordinary investment results should not be expected. They can also be best bought at a reputable local bullion dealer (not online). Surprisingly, ancient coins are also not desirable, for new shipwreck discoveries frequently expand greatly known quantities, and can thus deflate rarity—and value—overnight.

On the subject of exporting gold, whereas 100 Gold Eagles should be able to legally fly, we don’t recommend testing the theory that the \$50 value stamped on the Eagle’s face will get them a \$5,000 value at the customs booth.

How about BitGold? GoldMoney.com has created a very innovative product which allows customers to move fiat assets from banks and through credit cards to buy and pay with gold, receiving actual metal at their option. We’re skeptical, for several reasons: (1) the gold is not in your hands; (2) transactions are all publicly recorded; (3) free storage is suspicious. Brinks insurance sounds good, but in a chaotic global environment will Brinks itself be viable? If you go to BitGold’s website, there’s not much there. However, BitGold may be of interest to those who choose to act on the presumption that the United States is actually a corporation (as described in Appendix G).

And silver? One-ounce Silver Eagles, with a face value of \$1, are in current production. Since Silver Eagles are sold at a significant premium, it is unlikely that they will ever be melted down for other uses; it’s possible that they will command much higher premiums when the US Mint finally stops making them. If you buy “Mint Boxes” containing 500 Silver Eagles, make sure they have not been opened since being packed and shipped by the US Mint. Silver is also offered in one-ounce “rounds” and in 10, 100 and 1000 ounce bars.

Pre-1965 (“90%”) silver coins (dimes, quarters and half-dollars—which are 90% silver and 10% copper), aka “junk silver,” can be purchased in full or fractional “bags.” A full bag contains \$1,000 face value in coins (e.g., 10,000 dimes), and weighs about 50 pounds, of which 715 ounces is silver. Since pristine coins have .7234 troy ounces of silver content per dollar of face value, a small adjustment for wear is already priced in. Half-dollars will normally get you a bit more silver, since the percentage of wear tends to be relatively greater on quarters and dimes. But the smaller coins may be more useful in a barter situation.

In a post-fiat world, 90% silver should be the best neutral (after water, food and medicine) barter asset an individual can hold. It represents lawful money and will never be confiscated. In addition, this is the only form of silver that cannot be reproduced; as a result, as silver becomes scarcer, premiums to acquire 90% silver are already increasing.

Nickels and pennies. Thomas Gresham was a financial agent of the English Crown; in the 16th century, he observed that overvalued money drives undervalued money out of circulation. Just as pre-'65 silver dimes, quarters and half-dollars disappeared from circulation starting in 1965 (when copper-clad coins appeared), nickels and pennies are following "Gresham's Law," and beginning to disappear today. Due to the increasing price of copper, these coins contain metal that is worth more than the face value of the coin. All nickels in circulation contain 75 percent copper with a current value of about 4 cents, and pennies minted between 1909 and 1982 are composed of 95% copper, making them worth about 2 cents. Future inflation should carry the melt value of these coins from current prices to much higher values.

The US Mint in 2006 made it illegal to melt pennies and nickels, in addition to prohibiting the export of large quantities of either. Canada has discontinued use of the penny, and rumor has it that the US will follow suit. According to Business Insider, astute Hayman Capital (hedge fund) manager Kyle Bass recently purchased \$1 million worth of nickels.

Want to make a small investment? Start throwing nickels and pre-'82 pennies into a jar.

Preserving silver. Whereas gold is impervious to decomposition, silver will tarnish, as anyone who owns sterling silverware knows. Here are some tips for those of you concerned about preventing tarnishing of your silver bullion. Camphor blocks/gum or desiccated silica gel bags can be used to absorb airborne sulphur chemicals in the air, as can a single piece of white classroom chalk—slowing-down the tarnishing process. You can use anti-tarnishing paper, strips, pads, cloths and mitts manufactured for handling silverware. You can also simply wrap silver items in tissue paper or put them inside resealable plastic sandwich bags. To clean silver, wash with a mild non-abrasive soap and warm water, then dry with a soft cloth.

How about platinum and palladium? Simple: they are investments, but neither has ever been used as money. They are riding the secular bull market in real assets, but will not get the real money boost that gold and silver are due to receive when things heat up.

Where can I buy coins and bars? Deal face-to-face with a reputable LOCAL (if possible) BULLION dealer who has been in business for a number of years. When you approach the counter to purchase bullion, the attendant is obligated by the Patriot Act to ask for your personal information. However, the Privacy Act allows you to decline to provide the information. Take immediate delivery of your coins/bars, or leave only a phone number at which the dealer can contact you to confirm your order is ready for pickup. If you don't have access to a local bullion dealer, use one of a number of reputable national exchanges.

Counterfeiting. (We are referring here to gold and silver coins, not the counterfeiting of currency that goes on every day over at the Federal Reserve.) Yes this does happen, and the more valuable the coin or bar, the greater the chance that someone will counterfeit it. Counterfeit coins from China and elsewhere have already shown up in the US.

Your safeguard is to conduct business only with a reputable dealer and also to buy only coins and bars produced by known manufacturers. You can identify fakes by dropping coins (they should ring, not thud), or by weighing them with a gram scale, or by using a magnet to see if any iron is in the coin.

Foiling the IRS. This [Forbes article](#) points out that the federal law which subjects gains on gold and silver bullion sales to taxation is NOT real federal law, but rather IRS administrative law—issued outside of Congressional and judicial jurisdiction. Supreme Court decisions have affirmed that the feds must consider gold and silver coins and their own paper notes as dollars. Thus, an opportunity is created for a

community to conduct all their transactions with silver and/or gold. For example, \$3000 in gold income a year might be equivalent to 90,000 paper dollars in this community.

Gold stocks. In addition to a plethora of gold and silver mining companies, you could consider GDX, an ETF that tracks a gold shares index—which is comprised of 32 large gold and silver mining companies, or GDXJ, which tracks junior mining stocks.

FBO Wealth Systems deals in bullion, working directly with a major wholesaler. We are generally able to buy gold and silver bullion at lower prices for our clients and sell it for more, while minimizing waiting time for delivery.

What about assets “trapped” in an IRA or 401(k)? Canadian trusts and ETFs should be available through your brokerage firm. If not, you should switch to a brokerage firm that offers these funds.

If you would like to hold physical gold, but have the bulk of your savings located in an IRA, you need to learn about **self-directed IRAs**. A special self-directed IRA allows the owner to **hold physical gold in his/her personal possession**. This arrangement is perfectly legal, but must be properly setup and maintained. **Contact us for more information on our special FBO Gold IRA.**

There are five means for **holding gold in/through a 401(k)**.

1. Purchase the above-referenced Canadian metals trusts. If your plan doesn't allow those choices, you are out of luck unless you can convince your employer to change your plan.
2. Take a plan loan and use the proceeds to purchase and hold physical bullion.
3. Get your employer to modify your plan to allow collectibles; if other conditions are met, you can **purchase and hold** physical bullion (we can help you implement this).
4. Get your employer to shut down your plan for a year. Roll assets into a self-directed IRA and buy bullion (we can also help you here).
5. If you are over 60, roll your 401k into an individual IRA, which will allow you to do #1 and #4.

Have your employer contact us if he/she would like help in setting up/adjusting a 401(k) so that individuals can hold bullion.

How much should I own? Fundamental financial planning calls for keeping 3 to 6 months of spending money in reserve for emergencies, so a good starting point would be to build a reserve of gold, coupled with FRNs of that magnitude. In view of the serious nature of current global financial problems, the financial reserve could be as large as 2 years of living expenses. There is no maximum, but one well-known financial writer has 35% of his considerable wealth in gold bullion; another is “all-in,” at 100%. We recommend being prepared to hold at least 20% and up to as much as 75% of your investment capital in gold and silver.

What alternatives will I have for realizing eventual profits on my physical gold and silver positions? As noted above, we believe that gold is going to be reinstated behind a currency. At that time, its price should stabilize and you should be able to convert it at your leisure into new paper currency. If and until it does, wholesale and retail bullion dealers will convert it freely—even if bullion prices soar to astronomic levels.

Shops are opening that accept pre-'65 silver coins for services and merchandise and they will expand rapidly in a paper-money crisis. In the event that paper money fails, savvy merchants will quickly learn how much silver is in pre-'65 coins (.715 oz in each \$1 of face value) and what they're really worth – in terms of goods and services. One ounce gold coins and bars will be a bit more difficult to “dispose” of, but I believe you should easily be able to buy hard goods and real property with them.

Timing. From 2011 peaks of \$1923 and \$49, gold and silver have experienced historic corrections. Comparing these “takedowns” with prior precious metal setbacks in the 1970's, current values seem compelling. A general recommendation would be to “buy on dips.” This leads to the observation that

although central banks and their bullion bank cohorts can push the paper gold price around, they have much less control of the physical price and are incapable of making it sink to near worthlessness.

Repeat: We strongly advise against storing gold bullion in public safe deposit boxes, but do not feel that it is necessary to stash gold in foreign locations to avoid confiscation. Please consider the following observation: if you can't physically HOLD your gold, you don't OWN it.

Although not all issuers of un-backed gold or silver certificates or accounts will default or renege on their obligations, some will—devastating their investors.

B: SAFEGUARD YOUR PRIVACY

Privacy is like oxygen: you never think about it until you don't have enough and then it's all you can think about.

The government is spying on us through our computers, phones, cars, buses, streetlights, at airports and on the street, via mobile scanners and drones, through our smart meters, and in many other ways! As security expert Bruce Shneier put it: "We have to assume that the NSA has EVERYONE who uses electronic communications under CONSTANT surveillance."

The Fourth Amendment to the Constitution defines the conditions which SHOULD CONSTITUTE our right to privacy. *"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."*



The NSA leads the pack of snoopers. The National Security Agency decided in the wake of 9-11, unilaterally and without review by the nation's intelligence court or any public debate, to increase surveillance of Americans, as long as a foreign intelligence justification could be cited. And it now has criteria which allow it to classify **anyone** as a [potential terrorist](#). Recently the 11-member Foreign Intelligence Surveillance Court quietly acquiesced to [expanded NSA power](#) to amass vast collections of data on Americans. And to increase its effectiveness, the NSA has devised a new generation of revolutionary data collection software and other tools.

XKEYSCORE is the **NSA's Google** for the world's private communications. [Note: to bring up this article, I had to manually dial in the IP address: <https://firstlook.org/theintercept/2015/07/01/nsas-google-worlds-private-communications/chq-targeted-kaspersky/>]. The article reveals the reach of the NSA's most powerful program, which records emails, chats and web-browsing, pictures, documents, voice calls, webcam photos, web searches, social media, logged keystrokes, username and password pairs, file uploads to online services, Skype sessions and more. XKEYSCORE "makes tracking someone's Internet usage as easy as entering an email address and provides no built-in technology to prevent abuse. It sweeps up countless people's Internet searches, emails, documents, usernames and passwords, and other private communications."

The infamous Patriot Act expired at midnight on May 31, 2015 thanks to a filibustering Rand Paul. While Obama, John McCain, Lindsey Graham and other D.C. criminals warned that failing to renew the NSA's license to gather the phone records of each and every American would put the US at risk for terrorist attacks, Paul correctly noted "We have all the tools we need to preserve both security and liberty... We fought a revolution against this." An FBI report admitting that it [hasn't helped](#) to crack a single major terrorism case added to concern that followed Edward Snowden's disclosures as to the extent

of mass surveillance. And for a single day (June 1) spying provisions that had been in force since 2001 were terminated.

However, the bought-and-paid-for warmongering Republican Senate succeeded in ushering in successor legislation on June 2nd, titled the "[USA Freedom Act](#)," which claimed to end NSA bulk data collection. And six months later, [it did](#) (at least allegedly) result in a stop to the NSA's bulk collection of essentially all phone calls made in the US. Going forward, the government **supposedly** has to **suspect you** of something before collecting information. Privacy and civil liberty activists say the new act doesn't go far enough; it does not impede searches through vast existing collections of data at telephone companies and elsewhere.

Wikileaks Julian Assange says that shutting down the Patriot Act won't slow down the NSA, which has developed "secret interpretations" which will allow it to continue to commit mass surveillance on every American. Congress is unaware of some of these interpretations; whistleblower Bill Binney says **nothing will change unless all corrupt officials within the NSA and other agencies are fired.**



Looky here! Congress' omnibus budget proposal for 2016 contains provisions of **CISA** (the Cybersecurity Information Sharing Act), which had previously been stone-walled. [CISA gives companies](#) the ability to share cybersecurity information with federal agencies, including the NSA, "notwithstanding any other provision of law." Which means CISA's information-sharing channel, ostensibly created for responding quickly to hacks and breaches could also provide a loophole in privacy laws that enable intelligence and law enforcement surveillance without a warrant." In passing the legislation, the Senate voted AGAINST four amendments aimed at adding consumer protections.

YOUR GOVERNMENT IS TRACKING YOU in [many ways](#):

Your phone calls. The government can spy on you through your phone, especially if it's a [smart phone](#) and even if it's a [BlackBerry](#). It can listen to your calls and record them. The government used the Patriot Act to collect records on every phone call made in the US. This included [metadata](#), which can tell the government a lot about you. And if you have used iOS7 phones manufactured after 2013, your travel has been secretly mapped, recording where you go and for how long. The program runs automatically unless you work through five different menu screens and turn it off.

Through its open-sourced [Android operating system](#), Google has agreed to incorporate NSA code, which will allow Google or the NSA to [remotely turn on](#) your phone's camera and recorder at any time. Since [Google knows](#) just about every Wi-Fi password in the world the NSA, with which it has a very close relationship, does as well.

Cell towers [track your phone's location](#) at any moment, and the major cell carriers, including Verizon and AT&T, respond routinely to [requests from law enforcement](#) agencies for cell phone locations and other

data. Your Smartphone is a key player in the \$2.9 billion market for location-based services; it's spying on virtually [everything you do](#), even when your phone is [turned off](#).

A window of hope opened in late 2015, when the Justice Department announced a new and long-overdue policy requiring the FBI and other federal agents to obtain a search warrant [before using stingrays](#)—devices that simulate a cell phone tower in order to locate mobile phone users.

The NSA not only accesses data directly from the largest internet companies, it also sucks up huge amounts of data straight from [undersea cables](#) that connect telephone and Internet service to the US.

Smart phones manufactured for sale in the United States after July 2015 (according to CNN) contain a “kill switch” allowing the phones to be [remotely disabled](#) and their data erased. And according to the Daily Caller, Google's latest [Gmail app](#) will automatically link your account at sign-in to every other Google app on your phone—the better to track you.

Can police force you to show them the contents of your phone? No, said a circuit court judge in Virginia. But if your phone can be [unlocked with your fingerprint](#), you may be out of luck.

Recommendation: stay away from “flashlight” and [remove all flashlight apps](#) from your cellphones. Cybersecurity expert Gary Miliefsky [says here](#) that the top ten flashlight applications you can download for your smart phone are malware. They will steal your information and send it to China, India or Russia.

Apple and Google announced that their latest versions of iOS and Android will [encrypt all the information](#) on your smart phone by default. Which prompted FBI Director James Comey to announce that it will “force them” to decrypt phones; he also suggested that Congress should pass a law banning the practice of default encryption.



Your emails. The NSA is tapping the backbone of the [internet](#), with the cooperation of major internet providers, and storing this metadata on everyone for [up to a year](#). Correlating phone and e-mail logs allows analysts to identify people's friends and associates, detect where they were at a certain time, acquire clues to religious or political affiliations, and pick up sensitive information like repetitive calls (with tracking algorithms) to specific individuals. It is the [digital equivalent of tailing a suspect](#).

Facebook fractured. Dave Hodges reported that several of his “credible sources” confirmed that Facebook data is being used by the CIA and NSA to help compile an [“enemies of the state”](#) list which might be used to deal with individuals with a high-enough “Threat Matrix Score,” in the event that martial law is imposed.

The NSA [augments](#) communications data with material from public, commercial and other sources, including bank codes, insurance information, billing records, Facebook profiles, passenger manifests, voter

registration rolls and GPS location information, as well as property records and tax data. It looks for 94 "entity types," including phone numbers, e-mail addresses and IP addresses. In addition, the NSA correlates 164 "relationship types" to build social networks and what the agency calls "community of interest" profiles, using queries like "travelsWith, hasFather, sentForumMessage, employs, etc." There are no restrictions on the use of such "enrichment" data.

The NSA has built a massive data center in Utah, capable of taking in 20 billion "record events" daily, and making them available to analysts within 60 minutes. The agency is allowed to collect and retain raw traffic, which includes both metadata and content, about "US persons" for up to five years online and for an additional 10 years offline for "historical searches." It will have enough capacity to store on the order of 100 years' worth of the worldwide phone and email communications and then have plenty of space left over to use parallel processing to try to break codes.



McClatchy [notes](#): FBI Director Robert Mueller told a Senate committee on March 30, 2011, that "technological improvements" now enable the bureau "to pull together past emails and future ones as they come in so that it does not require an individualized search."

Your mail. The Postal Service has begun [photographing the exterior](#) of every piece of paper mail that is processed in the US. It's not known how long the images are retained. The USPS disclosed that it approved nearly 50,000 requests, called "mail covers," in 2014 from law enforcement to secretly monitor snail mail of Americans.

Recommendation: To avoid unwanted disclosure, wrap contents before mailing in a piece of dark (construction) paper.

Your computer. The government has the ability to spy on you through your computer's [webcam or microphone](#). As if that's not enough, NSA has also been found using "[man-in-the-middle](#)" tactics, impersonating Google to read your information.

Microsoft cooperates closely with government agencies, and the NSA has built a [backdoor](#) into all **Windows releases** from Windows 95 on. Further, Microsoft informs intelligence agencies of [bugs in its software](#) before it publicly releases a fix, so that information can be used by the government to access computers. So you need to realize that if you run your computer with Microsoft or Apple based products, you are being watched.

Microsoft is just [one of thousands](#) of technology, finance and manufacturing companies that shares sensitive information with US national security agencies. Worse yet, system flaws and other data about off-the-shelf computer software systems is now being [sold to the highest bidder](#) in a global market.

"Echo." Amazon unveiled a new digital assistant, a [cloud-connected device](#) that is always on. It can provide information, music, news, weather and more; and .. since it's brain is in the cloud, spy agencies can use it to obtain access to your personal information.

Microprocessors or **chips** inside every computer are another source of concern. Technology expert Steve Blank says he would be “surprised” if the US National Security Agency was not [embedding “back doors”](#) inside chips produced by Intel and AMD, two of the world’s largest semiconductor firms, giving them the possibility to access and control machines. Blank noted that PRISM leaks make it seem likely that “pretty much all our computers have a way for the NSA to get inside their hardware” before a user can even think about applying encryption or other defensive measures.

Leading security experts say that an NSA **back door** could allow it to [easily hack](#) into all encrypted communications. According to revelations from Edward Snowden, the NSA can also penetrate encrypted data over [virtual private networks](#) (VPNs), probably also including [Tor](#). So encryption tools sold to the public are probably [compromised](#).

Infected hard drives. A Moscow-based security software company (Kaspersky Lab) found [spy software](#) in the source code of hard drives from virtually all major drive manufacturers—including Seagate, Western Digital, Hitachi, Samsung and Toshiba. Infected drives have been [found in over 30 countries](#). A former NSA employee confirmed that the spyware, which launches every time computers are turned on and eavesdrops on users, is likely the work of the NSA. If infected, DESTROYING YOUR HARD DRIVE is the only way to stop this super-advanced malware.



Hackers. At the 2015 DEF CON hacker conference, Kustodian CEO Chris Rock demonstrated how fraudsters could [artificially “kill”](#) someone for a profit or a prank, taking advantage of vulnerabilities in most countries’ death registration processes. Armed with a keyboard and a cause, a hacker can use online databases and by posing as a doctor or funeral director, issue death certificates.

[In the future](#), hackers will be able to kill, hurt or rob you from anywhere with an internet connection by: commandeering smart cars; opening all doors at maximum security prisons; hacking drones; infiltrating nuclear power plants; disrupting city streetlight systems; scrambling air traffic systems; shutting down the electrical grid; and many others. The article also reported that 20% of North Korea’s military budget goes to cyber-warfare.

Death of the internet? The TPP, discussed on page 56, also contains provisions that allow [Internet censorship](#). TPP opponents claim its passage “will criminalize our online activities, censor the Web, and cost everyday users money. Internet Service Providers could be required to ‘police’ user activity (i.e. police YOU), take down Internet content and cut people off from Internet access for common user-generated content.”

Matt Drudge went further, paying a surprise visit to Alex Jones’ radio show and warning that the [entire Internet is in danger](#). Drudge said that a Supreme Court justice recently told him it was over for him: that the court “has the votes” to enforce copyright and it may soon be illegal to even LINK to another website. Is this the end of free speech? Drudge warned, “It’s gonna get really ugly – really fast... This is it, it’s happening now and the future of the world is being decided.”

Not to be outdone, the UN released a plan pushing [worldwide internet censorship](#). It proposes proactive social network policing of every profile and post, with government agencies only “licensing” those who agree to play by UN rules.

Your automobile. One of the Obama administration’s Congressional bypasses was a mandate that [starting in 2014](#), all new cars were to include a “**black box**,” the purpose of which is to [spy on you](#). The box preserves speed and seatbelt settings in case of an accident and also knows where you are located. With your car becoming more and more like a computer, it can record all kinds of information.

This shocking story includes a [dashcam video of the arrest](#) of 28-year old Sandra Bland for failure to use a blinker, leading to her arrest and later **hanging** in a jail cell. But Sandra’s alleged suicide was not counted in the record [121 people killed by police](#) in America during July 2015. A majority of the fatal encounters began as [routine traffic stops](#). “Have a safe trip” has taken on new meaning in Police State America.

Automated **license plate readers** [mounted on police cars](#) allow police to amass millions of digital records on the location and movement of every vehicle with a license plate. As if E-Z passes on tolled freeways aren’t enough. The devices can even capture [photos](#) of drivers in their cars. Government agencies can also activate [dashboard systems](#) and snoop on conversations without alerting passengers that they are being recorded.



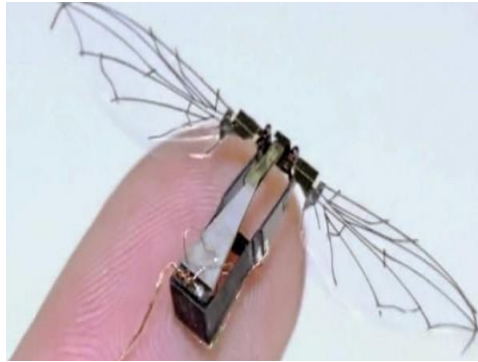
Your home. What you are watching can be watching you as well. [Your TV](#) remembers what shows you’ve watched and what you’re planning to watch. Hackers have demonstrated the ability to switch on the embedded camera and watch the watchers. “[I’m terrified](#) of my **TV!**” reflects on the provisions of a privacy policy that came with the author’s new smart TV—which logs where, when, how and for how long the TV is used. It detects when you have viewed particular content, what apps you use and how you interact with content. And it has a built-in camera, with facial recognition.

The government might also be spying on you through the “**smart meter**” [on your own home](#). Ex-CIA Director David Petraeus noted that “[smart appliances](#)” connected to your smart meter or Internet could someday be used by the CIA to track individuals. If your [refrigerator](#), dishwasher, coffee maker or clothes dryer is connected, the CIA will be able to keep a little closer tab on you. Your lighting, heat and air-conditioning and security systems can also be monitored.

According to Petraeus, “**items of interest**” will be located, identified, monitored, and remotely controlled through technologies such as radio-frequency identification (RFID), sensor networks, tiny embedded servers, and energy harvesters—all connected to the next-generation Internet using abundant, low cost, and high-power computing—the latter now going to cloud computing, in many areas greater and greater supercomputing, and ultimately heading to quantum computing.

A security expert and former NSA software developer says that hackers can access [private](#) surveillance cameras. The [FBI is building](#) a system which will track “public and private surveillance cameras around the country.” Note: lots of [IP security cameras](#) currently have security holes.

As if that's not enough, taxpayer funded-DARPA has developed "[autonomous microdrones](#)," designed to enter your house and spy on you. Drone expert P.W. Singer said "At this point, it doesn't really matter if you are against the technology, because it's coming." Could you spot one of these if it flew in the door?



Out in public. The NSA apparently [already monitors public cameras](#) using [facial recognition software](#). The government is currently field-testing systems for use in public spaces which can screen for "[pre-crime](#)," employing Future Attribute Screening Technology (**FAST**) to spot people who are intending to commit a terrorist act. Like a lie detector, FAST measures a variety of physiological indicators, ranging from heart rate to the steadiness of a person's gaze, to judge a subject's state of mind.

FAST relies on **non-contact sensors**, so it can measure indicators as someone walks through a corridor at an airport, and it does not depend on active questioning of the subject. Various "pre-crime" sensing devices have [already been deployed](#) in public spaces in the US And Australian advertising agency Mumbrella is trialling technology that [interprets your emotions](#) by mapping the minute movements of your eyes, mouth and brows.

Facial recognition is here to stay. Cryptographer and computer security specialist Bruce Schneier warns: "ID checks were a common response to the terrorist attacks of 9/11, but they'll soon be obsolete. You won't have to show your ID, because [you'll be identified automatically](#). A security camera will capture your face, and it'll be matched with your name and a whole lot of other information besides. Welcome to the world of automatic facial recognition... The underlying technologies are being developed today and **there are no rules limiting their use.**"



The government is also working on precrime detection through an [online simulation](#). And given that programs which can [figure out your emotions](#) are being developed using your webcam, every change in facial expression could be tracked.

Strange new [boxes](#) are popping up in downtown Seattle use **Wi-Fi networks** to record the last 1,000 locations of a person using their cell phone's MAC address. The boxes are attached to utility poles and include a vertical antenna.

Smart **street lights** are also being installed in some American cities, including [Jacksonville, Florida](#): energy-efficient, long-lasting and complete with LED screens to show ads, they can also [spy on citizens](#) using a microprocessor similar to an iPhone, capable of wireless communication. Each can capture images

and count people through a digital camera, record conversations and even give voice commands to passers-by.

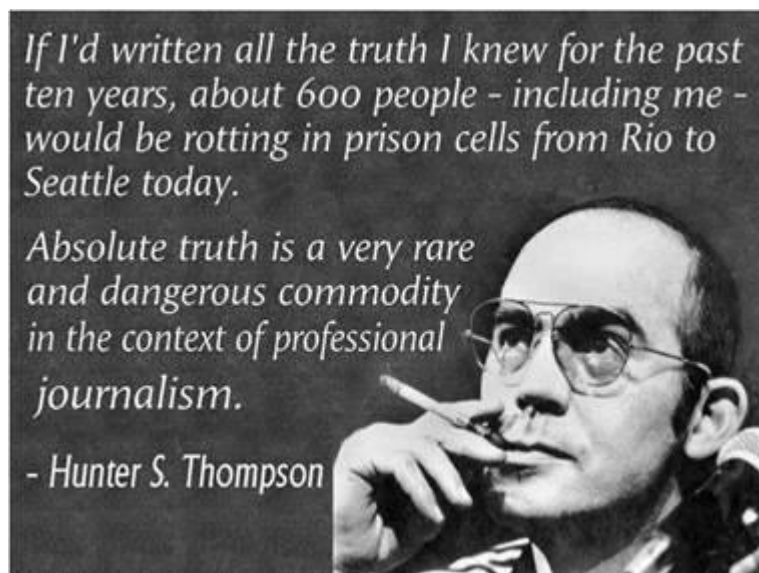
[Hotels and motels](#) are sharing their daily **guest lists** with police and aiding warrant checks on every guest.

And in a blow to the constitutional rights of citizens, the US Supreme Court ruled that police are permitted to violate American citizens' Fourth Amendment rights if the violation results from a "[reasonable](#)" [mistake about the law](#) by police!

Shopping. [German researchers have found](#) gaping security holes in bank debit and credit-card transactions. Using Wi-Fi technology, card numbers and pin numbers can be **stolen from the terminals** that read them. Banks have knowledge of this problem but have done nothing to overcome it, possibly because of the enormous cost to do so. It cannot be fixed by a simple software patch but would require a re-design of the whole system.

On the bus. Wired [reports](#): Transit authorities in cities across the country are quietly installing microphone-enabled surveillance systems on public buses that would give them the ability to record and store private conversations. The systems are being installed in San Francisco, Baltimore, and other cities with funding from the Department of Homeland Security.

The systems use cables or Wi-Fi to **pair audio conversations with camera images** in order to produce synchronous recordings. Audio and video can be monitored in real-time but are also stored onboard in black box-like devices, generally for 30 days, for later retrieval. Four to six cameras with microphones are generally installed throughout a bus, including one near the driver and one in the exterior of the bus.



Financial institutions. For several years now bankers, brokers, financial advisors, mortgage lenders, money changers, and even casinos have been required to file SECRET federal "**Suspicious Activity Reports**" (SARs) on individuals who act "suspiciously." There is no clear guidance on what is suspicious activity; it could consist of depositing or withdrawing too much cash, unusual fund transfers into an account, etc. In 2013 alone, banks submitted 1.6 million SARs.

You won't know if a SAR is filed on you because no one will tell you about it; informants who give the suspect a heads-up can be criminally prosecuted. A California banker was penalized \$25,000 for alerting a SAR suspect. One more reason to get your money out of the system! The banker received his fine from a little known division of the Treasury Department called the **Financial Crimes Enforcement Network (FinCEN)**, which is basically the CIA of the financial system. Unlike the CIA, which is not allowed to spy

on US citizens and typically has to pay informants, FinCEN has complete legal authority over US persons. And they've managed to turn the entire financial system into the world's largest network of informants.

According to a second-hand report from an individual who works in the banking industry: "If someone withdraws **more than \$3000 in 72 hours**, it is supposed to be reported as suspicious activity. This policy was issued by Homeland Security to 'prevent' funding of terrorism."

Then there is the Department of Homeland Security, with the TSA having expanded its reach to train stations and NFL games, with more to come. Ex-DHS head Napolitano initiated the "see something, say something" spy-on-your-neighbor program, reminiscent of the East German Stasi. George Orwell's "1984" featured a society where people were encouraged to rat each other out and people over thirty were even afraid of their children—who had been trained since birth to be unpaid government spies. In Newark, NJ, you can receive \$1000 in cash for reporting a neighbor who owns guns.

The TSA is moving way past airports, trains and sports stadiums, and is deploying [mobile X-ray scanners](#) to spy on people at random. This means that traveling within the United States is no longer private.

From the sky. The government is using [drones](#) deployed over the country to [spy on us](#). FBI chief Robert Mueller told Congress that drones are used for [domestic surveillance](#) ... and that there are [no rules in place](#) governing spying on Americans with drones.

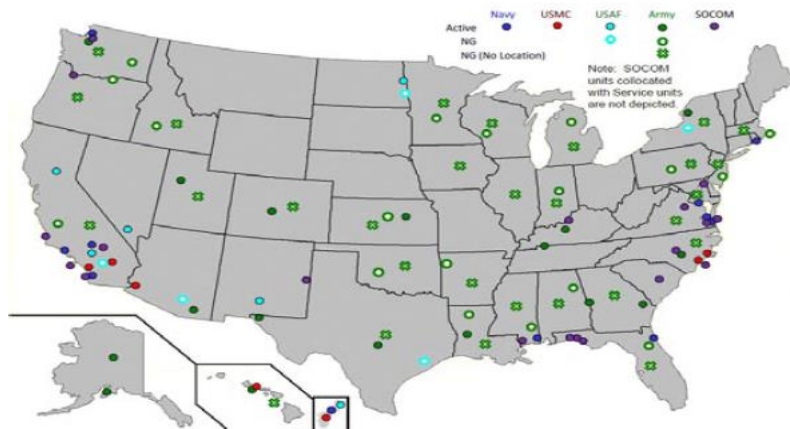


Figure 2: Planned DoD 2015 UAS Locations

As the above DOD (Department of Defense) map shows, there are plans to have drones all over the country by 2015. Many police departments are also using drones to spy on us. [State and local police](#) agencies around the country are increasingly adopting drones for field use. The Federal Aviation Administration has predicted that by the end of the decade, 30,000 commercial and government drones could be flying over US skies.

"Drones should only be used if subject to a powerful framework that regulates their use in order to avoid abuse and invasions of privacy," Chris Calabrese, a legislative counsel for the American Civil Liberties Union, said during a congressional forum in Texas. He argued police should only fly drones over private property if they have a warrant, that information collected with drones should be promptly destroyed when it's no longer needed and that domestic drones should not carry any weapons.

A congressional report predicted that drones could soon be equipped with **technologies to identify** faces or track people based on their height, age, gender, and skin color. The military is paying for the development of drones with [facial recognition software](#) which "remember" faces and "read" your intentions.

And from a small Australian company comes an Orwellian [surveillance system](#) that can track and record you movements by car in real time. Its balloon aircraft hovers out of sight 18-miles above any city, taking a photo every second of the entire city and all things occurring within a 40-square-mile radius.

Traveling. The border has always been an exception to Fourth Amendment protection against random and arbitrary stops and searches. There, the longstanding view is that the normal rules do not apply. For example the authorities do not need a warrant or probable cause to conduct a “routine search.” But what is “the border?” According to the government, it is a 100-mile wide strip that wraps around the “external boundary” of the United States. The ACLU [published](#) a map in 2006 showing that nearly two-thirds of the American public—200 million people—live within a “constitution-free zone” within 100 miles of land and coastal borders:

Worse yet, if you live in Connecticut, Delaware, Florida, Hawaii, Maine, Massachusetts, Michigan, New Hampshire, New Jersey or Rhode Island, DHS says the search zones encompass your entire state.

As a result of this claimed authority, American citizens traveling close to the border but not trying to cross it are being **un-Constitutionally** [stopped and harassed](#). The Border Patrol has set up inland checkpoints—on highways in states such as California, Texas and Arizona, and at ferry terminals in Washington State. Agents ask drivers and passengers about their citizenship, but are also exceeding their authority by interrogating and searching Americans on an everyday basis with absolutely no suspicion of wrongdoing.

Wired [pointed out](#) that the courts have routinely upheld such constitution-free zones: Federal agents at the border do not need any reason to search through [travelers’ laptops](#), cell phones or digital cameras for evidence of crimes, extending the government’s power to look through belongings like suitcases at the border to electronics. Computer World [reports](#) that border agents don’t need probable cause or a warrant since they don’t need to prove reasonable suspicion.



Government agents have been searching mobile devices and in some cases keeping them for weeks or months. **Consider online storage** or encryption to prevent the feds from rummaging through your journal, pictures or confidential business plans. International airports are treated as “borders,” exempt from Fourth Amendment protections. Which means [145 airports](#) should be added to the map above.

Starting in 2016, residents of New York, Louisiana and New Hampshire will need a passport to **fly domestically!** This is part of the “phased reinforcement” of the [Real ID Act](#).

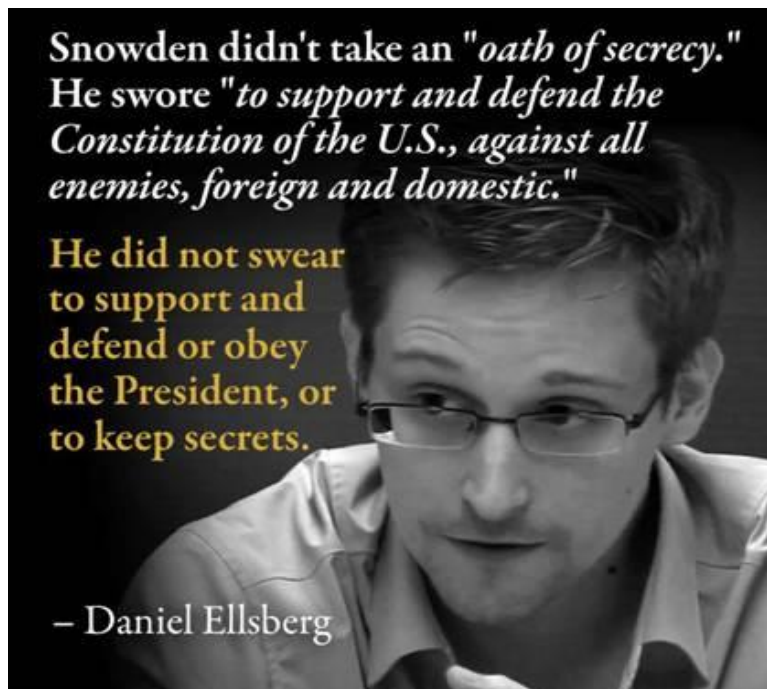
Blacklisted. [This article](#) summarizes and links to a 166-page document ostensibly containing the government’s secret rules for putting individuals on its main terrorist database, as well as the no fly list and the select list (which triggers enhanced screening at airports and border crossings).

Russia Today [broadcast](#) what experts call the best coverage of today's **mind control** technology, where targeted individuals can be secretly implanted with chips as tiny as a few nanometers, and then controlled. Recently, a California woman and an expert in the field provided evidence to [win the first court case](#) involving today's mind control cell tower weapons systems.

"Twelve triple three" is how those in government refer to the document that gives incredible [leeway to intelligence agencies](#) sweeping up vast quantities of Americans' data. It's an executive order (EO 12333) approved by Ronald Reagan in 1981 that has allowed data collection on untargeted Americans that would normally be forbidden.

Information released by Edward Snowden revealed that the NSA built its own [Google-like search engine](#) and shares hundreds of billions of digital records with other government agencies.

But no one is going to jail. The NSA released information due to a Freedom of Information Act request that confirmed that [it has been violating laws since 2001](#)—confirming information released by Edward Snowden.



Personal invasion. Despite recent revelations, nothing has changed to push back against the [American police state](#). Our freedoms—especially the Fourth Amendment—continue to be choked out by a prevailing view among government bureaucrats that they have the right to search, seize, strip, scan, spy on, probe, pat down, taser, and arrest any individual at any time and for the slightest provocation.

In the wake of the US Supreme Court's ruling in [Florence v. Burlison](#), any person who is arrested and processed at a jail house, regardless of the severity of his or her offense can be subjected to a strip search by police or jail officials without reasonable suspicion that the arrestee is carrying a weapon or contraband. Examples of minor infractions which have resulted in strip searches include: driving with a noisy muffler, driving with an inoperable headlight, failing to use a turn signal, riding a bicycle without an audible bell, making an improper left turn, engaging in an antiwar demonstration (the individual searched was a nun, a Sister of Divine Providence for 50 years), passing a bad check, violating dog leash regulations, filing a false police report, failing to produce a driver's license after making an illegal left turn, having outstanding parking tickets, and public intoxication. A failure to pay child support can also result in a strip search.

The Fourth Amendment to the US Constitution was intended to prevent government agents from searching an individual's person or property without a warrant and probable cause (evidence that some

kind of criminal activity was afoot). While the literal purpose of the amendment is to protect our property and our bodies from unwarranted government intrusion, the moral intention behind it is to protect our human dignity. How much more of this are we going to take?!

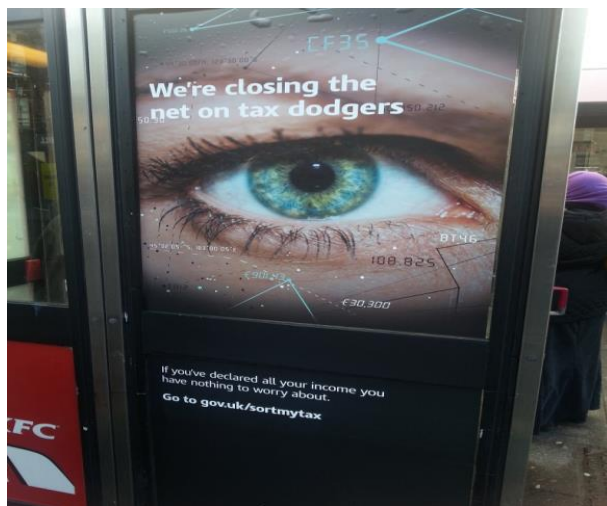
SBST is an [Orwellian program](#) launched by executive order in February of 2014. The Social and Behavioral Sciences Team has the objective of experimenting with **better ways to manipulate the American people** to conform to the federal government's will.

Summary. Documents leaked by Edward Snowden to [Glenn Greenwald](#) show that what's in place is a **localized system that records every form of electronic communication taking place and stores it** for recall whenever it is needed. The range of communication and information includes virtually every phone call, email, text message, internet search, credit card transaction and social media contact, as well as health information, employment history, travel and student records. And the list goes on.

Also recording and sharing data with the NSA are agencies in [England](#), [Germany](#), [Australia](#), [Canada](#) and [New Zealand](#). *Private* contractors can also [view your data](#) ... and the government [isn't keeping track of which contractors see your data and which don't](#). And because [background checks regarding some contractors are falsified](#), it is hard to know the types of people that might have your information.

The Wall Street Journal reported on the little-known [National Counterterrorism Center](#), which is allowed to examine government files of US citizens for possible criminal behavior, even if there is no reason to suspect them. It can copy entire government databases—flight records, casino-employee lists, the names of Americans hosting foreign-exchange students and many others, retaining the data for up to five years.

Medical data is also accumulating, under pressure from Obamacare, and is becoming a lucrative [revenue stream for hackers](#). Personal information found in health care records fetches hefty sums on underground markets, making any company that stores such data a very attractive target for attackers. Security experts are warning healthcare and insurance companies that 2015 will be the "[Year of the Healthcare Hack](#)," as cybercriminals are increasingly attracted to troves of personal information held by U.S. insurers and hospitals that command high prices on the underground market. The recent breach of 80 million records at Anthem was just the beginning.



What can be done to regain our privacy?

Start by opposing spying. Even though you don't intend to violate any laws, if the government wants to [frame you](#) they will use stored data to find the means to do it. Remember David Petraeus?

The **ACLU** has been a prominent privacy player, [filing](#) among other actions a Freedom of Information Act request for the entire DHS report about suspicionless and warrantless "border" searches of electronic devices.

The Electronic Frontier Foundation published [this list of tips](#) to protect yourself and your devices against **border searches**. If you're planning to cross a border, the EFF even offers this [quiz](#) to test your knowledge.

"Untangling the Web: A Guide to Internet Research" is a 600-page spy handbook produced by the NSA and containing lots of tips is now [available](#) at wired.com following a successful FOIA request.

Practical steps to maximize privacy. The government appears positioned to intercept every piece of communication we receive or transmit. But it may only **seem** that way. Following are some suggested actions that should enhance your privacy from any potential intruder. Semi-private is better than NO privacy!

1. For sensitive **phone calls**, use a pay phone and pay with cash or a calling card purchased with cash. Your personal landline can be easily monitored or bugged.
2. Unplug and power down your **cell phone** when not in use. A [Silent Pocket](#) will make ANY device undetectable, for about \$50. Or use prepaid "disposable" phones purchased at a drug store. Since devices exist which can quickly download everything stored in memory, keep only as much data on your cell phone as you really need. To erase data in your phone, look for deletion instructions at www.recellular.com/recycling/data_eraser/default.asp.
3. If you use Android, you can install the Orbot and Orweb apps, allowing you to funnel and encrypt smart phone traffic and browse anonymously.
4. Avoid in your communications the use of a long list of **keywords and phrases** which trigger Department of Homeland Security suspicion. [Here's the list](#), released through a freedom of information request. But DHS search engines are more sophisticated than that and interpret content.
5. Purchase inexpensive RFID credit card shields for your chipped **credit cards** at [REI](#) to keep them from being "swiped" by passersby.
6. Move your **internet access** to a more secure browser. You can use Google's search features without being tracked by Google by using [ixquick](#) or [startpage](#) to mask your identity as you search. [Tor](#) and [DuckDuckGo](#) are other free anonymous search engines. Do not use Gmail or Hotmail (now Outlook). When you log into a website, use HTTPS (S=secure), rather than HTTP. [HTTPS Everywhere](#) is a Firefox and Google Chrome plug-in that attempts to force a website to connect in secure mode. [Silent Circle](#) offers encrypted email, video chat and phone calls, for a fee. Or for free, you can try [Cryptocrat](#), which allows you to see whether government "backdoors" are built in. [This story](#) has more and also describes how to set up your own Virtual Private Network (VPN).
7. Get your own **email domain**. If you want to go further, get domain suffixes such as .no (Norway) or .at (Austria), which are run by national, non-US agencies which are not under the jurisdiction of the US government... And don't save your emails forever.
8. Keep your **computer** physically secure—at home, at work and on the road, using a strong cable lock if needed. Never leave a laptop in your car. Be cautious about opening an attachment or downloading a file from an email, regardless of who sent it. Set up a "smart" boot or log-in password to prevent someone from getting into your computer simply by turning it on. Your password should be a combination of letters and numbers that have no obvious meaning to anybody else. On the road, you can protect your cell phone, credit cards and/or laptop from being detected and tracked by wireless signals with military-grade bags built by [LokSak](#).
9. Keep "keystroke logging" programs out of your computer by never inserting unknown hardware into your computer or downloading unknown **computer software**. Detect and erase existing spyware; [Ad-Aware](#) is a free program you can download. Install anti-virus software and a firewall in your computer, and keep them up to date.

10. Abandon Microsoft/Apple operating systems if practical and run your computer on shareware like **GNU Linux** or one of its off-shoots, such as Ubuntu. Even the military is working with Linux in top secret installations.
11. **Encrypt** your computer. Here's a free, open-source program: <http://www.truecrypt.org>. If you use it, you will need to create a recovery CD or DVD disk to use as a recovery tool if you forget your password (and keep it in a safe location).
12. Erase remnants of old files which you have deleted from your **hard drive** using various software programs. Eraser (<http://eraser.heidi.ie>) is a free option, but a computer technician might be a better choice. While you're at it, clear your search history.



13. Develop and employ a [better set of passwords and pins](#).
14. **Say "no" to Windows 10.** Microsoft plans to circumvent Windows users who bypassed the program—which reportedly tracks online behavior and saves search queries, private emails and contents of private folders, including photos. The company is preparing to automatically download Windows 10 in 2016 onto PCs currently installed with Windows 7 or 8—**without your knowledge or permission**. To avoid this change, [DO NOT allow automatic Windows updates](#) and say NO when Windows 10 is recommended as an update.
15. Don't use **free services**. If you are receiving a valuable service at no cost, YOU are the product and the information collected on you will be sold elsewhere.
16. Use multiple **email** addresses to make it more difficult for snoops to obtain information about you from old emails. Use an alias to setup these accounts. Use of public terminals (library, kiosk, cyber café) is another means for concealing your identity. Empty "delete" and "junk" email boxes frequently. However, if you are using a "cloud" email free service like Yahoo or Gmail, know that when you delete a file, it is still retained and sold as data to the NSA. When you send an email list multiple addressees as "bcc" recipients.
17. Drop outgoing **mail** in an official US Post Office mail-drop—especially if it contains personal information. Rent a P.O. Box for incoming mail; or just rent a mail drop under an assumed name. When away from your home for an extended period, ask the Post Office to hold your mail or have a highly trustworthy neighbor retrieve it for you daily. The latter may be your most secure choice, as out-of-town notices to the Post Office have been known to invite government agents in for a "look-see" while you are absent.
18. If you **MUST** use **Facebook**, restrict the information you share. You are releasing not only your personal information, but your location every time you login into the universe and cannot take it

back. Similar advice for texts and chats: they belong to the world; Cryptocrat will help you to encrypt them.

19. Audit the medical information compiled on you at the [Medical Information Bureau](#) (MIB) and make sure that the file is correct.
20. Safeguard your **personal information** by just saying "no." Don't give out your SSN unless you have confidence in the requestor and are assured that they absolutely need it. Be especially careful what you tell your doctor. With the Affordable Care Act (Obamacare) coming into force, you can no longer be sure that anything you tell him/her won't be sent to the government. As a general rule, restrict personal information you provide ANYONE; use aliases, initials, etc. Use your P.O. Box for "address." Fill in telephone blanks with "unlisted;" use "N/A," "unavailable" or "pending" for SSN and drivers licenses if you can get away with it.



21. Cut down on your use of conventional **medicine** to the greatest extent possible. Many medicines are being filled with micro-crystalline cellulose, which is crystallized wood pulp. This ingredient allows for the **insertion of militarized nano-technology** which can bombard you with microwaves or track your movement.
22. Run all discarded **documents**, including unwanted credit cards, through a cross-cut shredder.
23. Put only your name on your checks and list it in a form other than how you sign it.
24. If your cellphone service is with Verizon, every single unencrypted website you visit is being recorded. You can opt out of this feature at <http://www.vzw.com/myprivacy>.
25. Don't use **Dropbox**, a cloud storage firm with over 200 million users, which Edward Snowden says is "hostile to privacy;" instead switch to more-secure storage services like SpiderOak. "Dropbox is a targeted wannabe PRISM partner, which just put Condoleezza Rice on their board."
26. Pay for purchases with **cash** or Bitcoin to the greatest extent practical.
27. "Hack" your Medicare card by carrying with you a copy in which the last four digits of your SSN have been covered over (keep the original in a safe place at home). You shouldn't be denied coverage just because you lack the actual card; prove your identity with a driver's license.
28. If you are confronted by authorities and [wish to remain silent](#), ask specifically for your Fifth Amendment right to remain silent; otherwise your silence can be used as an indication of guilt (this is a recent Supreme Court ruling).

Available tools to help you lose a surveillance tail include: (1) Wireless bug detectors alert you to the presence of a hidden video camera. (2) Small laser-based video camera finders pick up cameras not putting out a wireless signal or operating at greater distances. (3) GPS monitor detectors locate a GPS (Global Positioning Signal) bug if one has been attached to your car. (4) Audio bug detectors, White-Noise Emitters, Audio Jammers, Cell phone Jammers and Phone Wiretap Detectors are other devices that are available for individual purchases. If sufficiently concerned, you can find a local company for conducting a professional sweep by searching "Technical Surveillance Counter Measures," or "TSCM."

Net neutrality. The FCC pulled off the [largest regulatory power grab](#) in recent history, affecting every individual or business that accesses the web. The FCC classified the internet as a utility—like telephones or electricity—which can be regulated and CONTROLLED by the government.

The FCC released more than 300 pages of [net neutrality rules](#), which claim the right to regulate the Internet—granting powers which two federal courts says it does not have. Following FCC's action, a number of independent internet sites have been knocked off the air for a substantial period of time, resulting in speculation that the FCC might be [testing a kill switch](#). Multiple [petitions](#) have been launched by private citizens, including some asking for the removal of FCC Chairman Tom Wheeler, due to conflicts of interest. Oral arguments began December 4 before a [three judge federal appeals court](#), which will decide whether your attempts to access preferred Web sites will be compromised.

Meanwhile, the Obama administration plans to forfeit control of the organization (ICANN) that administers the internet to the United Nations. [Mike Krieger wrote](#) that “net neutrality,” as currently envisioned in a new FCC proposal, will allow discrimination in content delivered to the consumer. Current rules allow a small site to deliver its content in the same manner as a huge site, essentially allowing the “little guy with no budget” to compete equally in the “marketplace of ideas” with the largest media behemoths. The alternative media is under attack here, and if the FCC is successful in allowing deep pockets to control the speed of traffic, content from small sites might endure a slowdown in delivery speed so severe that alternative media could become extinct.

Preferential treatment would take place on the “last mile” of broadband networks that connect directly to consumers’ homes. This development is definitely NOT in our favor. But internet access might get even worse: big money may be lining up behind a government program that would make [biometric identification](#) mandatory to go online!

The one thing that is clear: the camel’s nose is now under the tent, and government can now begin to [regulate COST and CONTENT](#). They are probably in a hurry to do it, before the number of awakened American citizens reaches critical mass. Here’s another [good article](#) on the implications. On the other hand, congress still has to vote on the proposal. And since the U.S. is only one of 196 countries engaged on the internet, how effective can our government be in its efforts to exert control?



Kill switch. The National Communications Systems Standard Operating Procedure 303 ([SOP 303](#)) describes a shutdown and restoration process to be used by commercial and private wireless networks in the event of a national crisis. Recently released, this “conspiracy theory” has become fact, and is [headed for a test](#) before the US Supreme Court.

Internet shutdown? Even before “net neutrality, leaked Sony data showed that Hollywood is trying to break DNS, the backbone of the internet. If they are successful in doing this, you might type a website such as <http://www.piratebuy.se>, but if DNS wasn’t working you would be unable to connect. **The Domain Name System directs traffic across the internet;** it translates your request for an internet site into the IP (Internet Protocol) address being used by the site. As it turns out, D.C. is full of agencies

that would like to wipe out “unfriendly” addresses—such as those that are helping the public to awaken. But Controllers also need the internet to operate. What to do?

Rather than completely shutting the internet, **Controllers might at some point take the interim step of disabling the DNS system.** In that case, sites would still operate, but without names. **What you will need instead is the static IP address for the site.** In light of this potential development, we are building a list of static IP addresses for popular sites which will be available on our website. **You will be able to reach us at our IP address, 50.87.198.138, instead of at www.familybusinessoffice.net.**

If there is a particular website you would like us to add to our list (so that you can access it through us), send it on (3 max please). ***If you are interested in obtaining the “tool” that allows you to pull IPs for your sites independently, please let us know.***

HELP IS ON THE WAY.

In a sweeping victory for privacy rights, the Supreme Court unanimously ruled that [police need warrants](#) to search the cellphones of people they arrest. It seems likely that the decision will also apply to searches of tablet and laptop computers and even to searches of homes and businesses and the use of information held by third parties like phone companies.

Recently, founders of SilentMail and LavaBit, two secure email providers that voluntarily discontinued their operations in the wake of Ed Snowden’s disclosures rather than submit to becoming NSA stooges, announced a new non-profit partnership called the **DarkMail Alliance**. Their aim is to create a universal, secure, [open source email platform](#) with robust defenses against spying. And it will be cross-functional with just about ANY email provider, automatically creating peer-to-peer encryption via ephemeral secret keys.

A “NSA-proof” [private server](#) is being developed in Germany. “**Protonet**” is a Linux-based cloud device being developed with money raised through “crowdfunding” (the latter also described in Chapter 10).

The **Internet Engineering Task Force**—so-called architects of the web—are drawing up an [ambitious plan](#) to defend traffic over the World Wide Web against mass surveillance. The IETF has received “nearly unanimous consensus” on the need to build encryption into the heart of the web.

Lightbeam is a Firefox tool that allows you to [watch third parties](#) that are tracking you while you are online.

Anti-virus software pioneer **John McAfee** announced development of an inexpensive, pocket-sized gadget, dubbed “**Decentral**” that aims to make any of its users anonymous and untraceable, thwarting NSA surveillance of ordinary Americans. McAfee plans to offer the device for sale for \$100 by mid-2014 haven’t materialized yet, but we’re watching.

You can make your smartphone more secure by installing WhatsApp, Signal or RedPhone apps.

[Silent Circle](#) has debuted **BlackPhone 2**, which can be used to place calls, send text messages and store contacts with complete privacy—free of government snooping. The handset sells for \$649.

Wikileaks 2.0? **Slur** is a new decentralized open-sourced platform which [plans to sell information for bitcoin](#), starting in July 2015. It aims to protect whistleblowers by granting anonymity to both buyers and sellers. There will be no restrictions on types of information that can be sold, nor on the motives behind the selling. Slur wants to expose information that will have the power to “decimate the authority and resources” of governments and corporations.

Tails is an operating system being offered to the public, facilitating “anonymous” Internet use that “leaves no trace” on the computer you are using. **Wickr** is a messaging app which encrypts text messages and pictures and allows them to self-destruct within a time determined by the sender, leaving no traceable evidence. It was designed to defeat the NSA, but now even politicians are apparently using it.

C . SAFEGUARDING VALUABLES

originally written by Ailana Denison (1942-2014)

1. Why do you need to safeguard your valuables, your home, and your family?

The federal Uniform Crime Reporting Program statistics make the need obvious:

- Burglary accounted for 22.1 percent of the estimated number of property crimes committed in 2007.
- Of all burglaries, 61.1 percent involved forcible entry, 32.4 percent were unlawful entries (without force), and the remainder (6.5 percent) were forcible entry attempts.
- In 2007, burglary offenses cost victims an estimated \$4.3 billion in lost property; overall, the average dollar loss per burglary offense was \$1,991.
- Burglary of residential properties accounted for 67.9 percent of all burglary offenses.
- Offenses for which time of occurrence was known showed that 57.4 percent of burglaries took place during the day and 42.6 percent at night.
- Offenses for which time of occurrence was known showed that more residential burglaries (63.6 percent) occurred during the daytime while 56.4 percent of nonresidential burglaries occurred during nighttime hours.

Security expert Chris McGoeey says FBI figures show that a burglary occurs somewhere in the United States every 15.4 seconds. He continues, "The majority of home and apartment burglaries occur during the daytime when most people are away at work or school. The summer months of July and August have the most burglaries with February having the fewest crimes. Burglaries are committed most often by young males under 25 years of age looking for items that are small, expensive, and can easily be converted to cash. Favorite items are cash, jewelry, guns, watches, laptop computers, VCRs, video players, CDs and other small electronic devices. Quick cash is used for living expenses and drugs.

Statistics tell us that 70% of the burglars use some amount force to enter a dwelling, but their preference is to gain easy access through an open door or window. Ordinary household tools like screwdrivers, channel-lock pliers, small pry bars, and small hammers are most often used by burglars. Burglars continue to flourish because police can only clear about 13% of all reported burglaries and rarely catch the thief in the act." (McGoeey's site has much helpful information, including the idea of a family security plan (<http://www.crimedocter.com/index.html>)).

2. General Precautions: leave the right trail

However you safeguard your assets, let exactly **one** person other than your spouse know the details. It needs to be someone in whose honesty and discretion you have complete confidence. It will be that person's job to access the assets if you are incapacitated or die. If you are using a safe deposit box, the person's name should be included in the box registration, and he/she should know where to get the key.

You do need to tell *someone*, regardless of your storage method, but *no one else should know*. This is especially important if you're using home storage. You don't want to come home some day to find your house turned upside down because someone heard you're living in a treasure chest. Even worse would be to come home and find a looter waiting to have a chat with you. There's just no other way to say it: Keep quiet about your assets.

Unless you've reached a point in life where you are depending on your children for help with your affairs, a child is not a good choice as your storage confidant. Kids talk, and you don't know whom they might tell or how far the story might travel.

If more than one person (such as a contractor or family member) already knows you have hidden assets, review your home storage methods to be absolutely sure they are adequate, or use one of the other methods.

Obviously, if you go to a coin shop or jewelry store, pay special attention to your surroundings. It's possible that someone could follow you home.

As you plan your safekeeping precautions, try to think like a burglar: what would he want and where would he look?

3. Your Fortress

Even though you have probably thought about the following precautions, here's a detailed review of ways to minimize your risk of being an easy target. (Following information from McGoey site)

Doors and Locks: Remember, the burglar will probably bypass your home if it requires too much effort or requires more skill and tools than they possess. Most burglars enter through the front, back, or garage doors. Experienced burglars know that the garage door is usually the weakest point of entry, followed by the back door. The garage and back doors also provide the most cover. Burglars know to look inside your car for keys and other valuables so keep it locked, even when parked inside your garage.

Use high quality Grade-1 or Grade-2 locks on exterior doors to resist twisting, prying, and lock-picking attempts. A quality deadbolt lock will have a beveled casing to inhibit the use of channel-lock pliers used to shear off lock cylinder pins. A quality door knob-in-lock set will have a 'dead latch' mechanism to prevent slipping the lock with a shim or credit card.

- Use a solid core or metal door at all entrance points.
- Use a quality, heavy-duty, deadbolt lock with a one-inch throw bolt
- Use a quality, heavy-duty, knob-in-lock set with a dead-latch mechanism
- Use a heavy-duty, four-screw, strike plate with 3-inch screws to penetrate into a wooden door frame
- Use a wide-angle 160° peephole mounted no higher than 58 inches

The most common way used to force entry through a door with a wooden jamb is to simply kick it open. The weakest point is almost always the lock strike plate that holds the latch or lock bolt in place followed by a glass paneled door. The average door strike plate is secured only by the soft-wood doorjamb molding. These lightweight moldings are often tacked on to the door frame and can be torn away with a firm kick. Because of this construction flaw, it makes sense to upgrade to a four-screw, heavy-duty, high security strike plate. They are available in most quality hardware stores and home improvement centers and are definitely worth the extra expense.

Install this heavy-duty strike plate using 3-inch wood screws to cut deep into the door frame stud. Use these longer screws in the knob lock strike plate as well and use at least one long screw in each door hinge. This one step alone will deter or prevent most through-the-door forced entries. You and your family will sleep safer in the future.

Sliding-Glass Patio Doors: Sliding glass doors are secured by latches, not locks. They are vulnerable to being forced open from the outside because of these inherently defective latch mechanisms. This can be easily be prevented by inserting a wooden dowel or stick into the track, thus preventing or limiting movement. Other blocking devices available are metal fold-down blocking devices called "charley bars" and various track-blockers that can be screwed down.

The blocking devices described above solve half the equation. Older sliding glass doors can be lifted up and off their track, defeating the latch mechanism. To prevent lifting, you need to keep the door rollers in good condition and properly adjusted. You can also install anti-lift devices such as a pin that extends through both the sliding and fixed portion of the door. There are also numerous locking and blocking devices available in any good quality hardware store to prevent a sliding door from being lifted or forced horizontally. Place highly visible decals on the glass door near the latch mechanism that indicates that an alarm system, a dog, or block watch/operation identification is in place. Burglars dislike alarm systems and big barking dogs.

- Use a secondary blocking device on all sliding glass doors
- Keep the latch mechanism in good condition and properly adjusted
- Keep sliding door rollers in good condition and properly adjusted
- Use anti-lift devices such as through-the-door pins or upper track screws
- Use highly visible alarm decals, beware of dog decals, or block watch decal

Windows are left unlocked and open much more frequently than doors. An open window, visible from the street or alley, may be the sole reason for your home to be selected by a burglar. Ground floor windows are more susceptible to break-ins for obvious reasons. Upper floor windows become attractive if they can be accessed from a stairway, tree, fence, or balcony. Windows have latches, not locks, and therefore should have secondary blocking devices to prevent sliding them open from the outside. Inexpensive wooden dowels and sticks work well for horizontal sliding windows and through-the-frame pins work well for vertical sliding windows. For ventilation, block the window open no more than six inches and make sure you can't reach in from the outside and remove the blocking device or reach through and unlock the door.

In sleeping rooms, these window blocking devices should be capable of being removed easily from the inside to comply with fire codes.

Like sliding glass doors, anti-lift devices are necessary for ground level and accessible aluminum windows that slide horizontally. The least expensive and easiest method is to install screws half-way into the upper track of the movable glass panel to prevent it from being lifted out in the closed position. As with doors, place highly visible decals on the windows.

- Secure all accessible windows with secondary blocking devices
- Block accessible windows open no more than 6 inches for ventilation
- Make sure someone cannot reach through an open window and unlock the door
- Make sure someone cannot reach inside the window and remove the blocking device
- Use anti-lift devices to prevent window from being lifted out
- Use crime prevention or alarm decals on ground accessible windows

Other Steps to Secure Your Home or Office

A wise move when you're protecting yourself against loss of your physical assets is to take every precaution to safeguard your home or office, including planning with your family. Simple steps like ensuring that every member of the family uses the peephole on the door, setting the alarm system if you have one, and always locking your windows and doors will help prevent home invasions. Ensure a response to any emergency by programming 911 on autodial, teaching everyone how to activate the call, and calling with the phone on speaker phone (so the 911 dispatcher can hear what is going on in the house).

Many additional tips to theft and invasion prevention measures can be found at http://www.crimedocter.com/security_advice.htm. For general preparation for emergencies, FEMA has an excellent planning site to help you respond to fire, flood, terrorism, hurricanes, and other disaster situations: <http://www.fema.gov/plan/index.shtm>

4. Ways to store your assets

What's the best place to store your physical gold and other valuables? Well, your choices boil down to three: use a safe deposit box, bury it, or hide it indoors. Each method has pluses and minuses, but probably the best method is a combination of them all. In other words, *diversify your storage locations*. For example, one advisor suggests having two safes: a decoy and the real safe. A cheap office store safe containing some metal or jewelry could fool a thief into thinking he has found your valuables.

Safe deposit box

A safety deposit box at a U.S. bank isn't a viable choice. First, your access is restricted; you can only get to the gold during regular banking hours. Second, safe deposit boxes are not insured against robbery.

Third, a bank box compromises your privacy. It provides a generous clue for the government, in case it ever decides to repeat FDR's 1933 confiscation of gold

Under the Patriot I and II acts, a bank holiday will allow the bank to legally open security boxes. A variety of sources say that under these or similar "emergency" conditions, bank employees would provide you access to your stored papers, but will likely have been instructed not to allow any weapons, cash, gold, silver or other precious metals to leave the bank. During a crisis (such as that precipitated by FDR in 1933), gold held in a bank could be confiscated or the holder might (for example) be offered "face value" (\$50 for a one-ounce gold eagle coin).

Bury it

Where do you bury it? Your location should be neither too easy nor too difficult to find. Not too easy, so that the gold won't be found by a thief. But not so difficult that years later, you or your heirs have trouble locating it. Complicated instructions (including treasure maps) can get muddled with time and create the risk your gold will never be dug up. On the other hand, a treasure map turned into a lampshade is likely to be overlooked by an intruder. Burying assets ensures they won't be damaged in a fire, and a burglar would need to know where to dig. A lot can happen in the world that won't disturb buried gold.

For outside burial, find a place on property you own that you'll always remember but that isn't obvious if someone learns you've buried something valuable. Consider the time. This is where the term "midnight gardening" comes from; people bury their gold at night so others won't notice the digging. One alternative is to find a separate reason for the excavation, such as fixing a pipe or removing a stump, and work in the daylight. Also make sure the stash is protected from the elements.

The following example of outside storage is a bit complicated, but very secure: build a storage or garden shed out back and have a safe built into the floor. You can access the gold without being seen, day or night. Do not use a key, only a combination

Hiring a contractor should be avoided if possible. All it takes is for one person to tell one other person.

A few practicalities, if you decide to go the shovel route. First, use the right container, something airtight and waterproof. This is especially important if you are storing numismatics or are burying silver in any form. Water bottles that hikers use reportedly work pretty well, but choose one heavy enough to stand up to years of erosion and persistent insects. Another choice is a small section of PVC pipe from your local hardware store; cap the ends and then bury it in a shallow puddle of cement. Don't use a coffee can, since the color on the metal can bleed. To protect from scratching, put each gold or silver coin in a hard plastic flip. (PVC is highly reactive with silver, which is found in most alloyed gold coins in some amount. Over a long period of time, it could put holes in bullion. Most coin dealers use mylar coin flips which are hard and brittle, and are the new industry standard. If you have coins in so-called soft flips, switch them to hard flips.)

Keep in mind that most modern metal detectors can operate to a depth of about 4 feet for objects as large as a stash of coins or bars. There's also ground-penetrating radar, used primarily by forensic investigators, which can detect where digging has occurred, as well as satellites that can pinpoint where ground has been disturbed. One suggestion is to bury old metal pipes or construction rubbish above and around your stash so someone using a metal detector may stop digging when the can or rubbish is found. Another is to bury a mirror on top of your contents to deflect or confuse metal detectors; your buried treasure won't be completely visible to detection, but it might be somewhat less visible.

Hide it in your house and/or use a home safe

Indoor storage is practical for smaller quantities. You can probably think of dozens of places in your home where no one would think to look. Avoid obvious places, such as a jewelry box or cookie jar. Never use a freezer, briefcase, suitcase, gun case, ammo box, toilet tank, chest of drawers or bed to hide cash or other valuables. The disadvantage of this method is exposure to theft, as well as fire, flood, and other natural disasters.

Consider using a safe, ideally one secured to the floor. As one dealer said, "A safe can be brought in on a two-wheeler and taken out on a two-wheeler if it hasn't been attached to a building or at least hidden."

If you use a floor safe, locations for it include the garage, under a refrigerator, or anywhere you can place something over it. We recommend installing it yourself, and some kits make it easier than you it might expect.

A cramped attic filled with loose insulation is another good location, but take care to conceal foot and hand prints.

5. The Home Safe

Why use a home safe?

The average burglar will spend less than 10 minutes in your house, looking for cash and easily pawned items like jewelry, electronics, and photography equipment, so a hidden safe can be a major deterrent to a burglary.

The first decision about choosing a safe for your valuables is to assess your needs. You have a wide variety of choices in types of residential safes, and your choice depends on the amount you want to spend, the materials you want to store, and other types of special protection you might want, like fireproofing and water resistance. You also want to consider whether you would like to store valuable papers in your home safe. Anticipating your future needs will help you choose the best long-term safe. A list of documents to save is provided later in this article.

An Overview of Safe Types

- **The Diversion or Hidden Safe:** The simplest way to secure valuables is to hide them in a common object. Examples include a used container like a cracker tin hidden in the pantry, a hollowed-out book placed among other books, or hollow furniture, like a bedpost. One clever person reportedly put his valuables in old paint cans in the garage—and even left the garage door open most of the time.

Drawbacks are the size of these safes and their lack of fireproofing. You also have to be careful that the diversion safe is not accidentally thrown in the trash or given away.

- **Vaults Installed in Existing Spaces:** You can convert a closet into a small vault by installing a metal or solid wooden door and deadbolts. Vault doors are typically sized to replace a 2-foot-6-inch interior door, but other standard and custom sizes are available. Experts suggest lining the closet interior with plywood, which is much harder to penetrate than drywall.
- **Wall Safes:** Because the robber's time is limited, he is not as likely to find a wall safe hidden behind paneling, a false curtain, or a piece of heavy furniture. The wall safe is generally made of thick steel built to fit between existing studs. Although depth is determined by wall framing (standard 2x4 or deeper 2x6 framing), you can have special construction done to accommodate a larger safe. Because the size is limited by construction, fireproofing is minimal.

Generally, you can install the wall safe by cutting a hole in the wall and bolting the safe to the studs from inside, thus ensuring the bolt heads are only accessible when the safe is open. The door will probably have a non-removable hinge, and a flange on the front of the safe finishes the installation. Wall safes are generally easily located and removed by skilled burglars.

- **Floor Safes:** It's more difficult to install a floor safe, which goes into a recess in the floor, leaving it vulnerable to flooding. However, there are also advantages. These safes are usually larger (providing storage for papers, too), come in a wider variety of shapes and sizes, and are more difficult to remove from the house. Doors are hinged or removable.

To install a floor safe into an opening cut into the floor, forms are usually built in the opening, and concrete is poured below and on all four sides of the safe. These safes can also be bolted to the flooring from the inside of the safe.

- **Free-Standing Safes:** From small safes, like those in hotel rooms, to man-sized vaults, free-standing safes run the gamut. Small safes can be secured to the structure; larger free-standing safes depend upon their bulk and weight for protection. Such huge safes may require you to have a contractor strengthen your foundation. Gun safes are normally small freestanding safes.

6. Factors to Consider in Selecting a Safe

Safe Costs

You can get a dependable safe for less than \$600, depending on the features you want. Many big-box and office supply stores carry safes. However, as with any other purchase, you generally get what you pay for, so beware of inexpensive, flimsy safes, which may protect only from fire but not theft. You might want to consider buying a used safe or one from a wholesaler to save money. Some local locksmiths are happy to help you with safe selection and installation.

Safe Features

Locks: Combination locks are common in many wall safes, but key locks are also available, as well as high-security models that feature biometric locks (using a finger or retinal scan). Time locks are also available in many wall safes, and digital combination locks have become increasingly popular in recent years. Digital combination locks allow for long combinations that make it less likely for the safe to be broken into. Digital keypads also allow you to reset the combination after the locksmith leaves.

Fireproofing: While you understand the need to protect your valuables, you may not realize that fire is another major risk, with 400,000 U.S. residential structural fires in 2001. This is especially important if you are storing papers in your safe.

If you need fireproofing, make sure the safe is **UL rated** (not just UL tested). Fireproof safes receive a UL rating based on the length of time they can withstand a fire and the maximum temperatures that can be withstood without damage to the contents. For example, a UL125 rated safe will allow interior temperatures up to 125 °F (to protect media). A UL350 rated safe will allow interior temperatures up to 400° F (which protects paper). Safes are referred to as being fireproof rather than fire-resistant because they will withstand the hottest temperatures of most residential or office fires (approximately 800°F for 20 minutes). Your precious metals will probably be safe even without fireproofing since the melting point of 24K gold is 1945°F and pure silver 1761° F.

Burglar Resistance Ratings

You may see a burglary rated sign on a safe, showing its resistance to theft. Some of these safes are not fireproof (the steel-plated units), but some will carry both fire and theft ratings. Your insurance agent can advise you about the ratings required by your insurance policies.

These ratings may be more technical than you need for your home, but it's good to know what you're looking at when you shop for a safe.

- **RSC:** Residential Security Container. The minimum rating which should be used to protect assets from theft. This rating is usually not accepted for business use. It conveys an ability to withstand 5 full minutes of rigorous prying, punching, chiseling, and tampering attacks by UL technicians with a hammer and screwdriver.
- **B Rate:** Usually the safe door is 1/2 inch steel plate, and the safe body is 1/4 inch steel plate. Approximate insurance rating for up to \$2,000 cash or liquid assets, or up to \$10,000 in merchandise.
- **C Rate:** Usually the safe door is 1 inch steel plate, and the safe body is 1/2 inch steel plate. Approximate insurance rating for up to \$5,000 cash or liquid assets, or up to \$50,000 in merchandise.

- **TL-15 (E Rate):** Successfully resists entry for a net assault time of 15 minutes when attacked with common hand tools, picking tools, mechanical or portable electric tools, grinders, drills, or pressure devices. Approximate insurance rating for up to \$10,000 cash or liquid assets, or up to \$100,000 in merchandise. DEA approved for drug storage.
- **TL-30 (F Rate):** Same as TL-15 for a time period of 30 minutes. Approximate insurance rating for up to \$30,000 cash or liquid assets, or up to \$300,000 in merchandise. DEA approved for drug storage.
- **Additional ratings:**
 "TR" as prefix indicate resistance to cutting torch "TRTL-30"
 "X6" as suffix indicates rating on all 6 sides "TL-15X6"
 "TX" as prefix indicates resistance to explosives "TXTL-60"

Waterproofing: Even if you don't have an overhead sprinkler system, fire hoses pump from 100-250 gallons per minute during a blaze, and water is often the main cause for loss of documents. Of course, this is a special hazard for floor safes. If you're storing paper in your safe or cabinets, they should not only be fireproof but waterproof or water resistant. Of course, waterproofing is especially important if you live in a potential flood area.

Additional Protection: Some safes are now available that not only protect against fire and water, but also against dust and harmful gasses. These advanced wall safes are fitted with an air-tight seal so that when they close all the air is sealed outside. Some wall safes are also designed to protect against radiation and are lined with lead.

Underwriter Laboratories tests not only fireproofing but also impact resistance. If the label says the item has passed the UL 72 test standard, it has been heated to between 1460°F and 1700°F, removed from the furnace and hoisted 30 feet off the ground, then dropped into a pile of broken brick on a concrete base. This is equivalent to a fall from the third story.

Media Cooler: A useful addition to any fireproof safe (or even a fireproof filing cabinet) is a media cooler, especially if you are keeping your computer system backup files or photo memory cards in the safe. When used in conjunction with any 350°F one-hour UL-rated filing cabinet or safe, the media cooler is certified to 125°F, making it safe for all types of computer media. The compact design is also theft resistant and fits right inside an existing fireproof filing cabinet.

Shopping for a Safe

- Know the construction of the location you have in mind for your safe (stud spacing, depth of the floor studs, etc.).
- Focus on the features you want, taking into account your future expansion needs.
- Will the safe comfortably hold your valuables? Will it hold the bulk of your precious metals? (A cigar box will hold roughly \$150K of gold or \$4K of silver, calculating gold at \$1,500/oz and silver at \$30/oz.) Will it hold the weight of your bullion? (Gold weighs 1400 pounds per cubic foot; silver is about half as heavy.)
- Make sure the safe is of high quality. Is the construction heavy duty? Are the hinges, seams, and bolts strong?
- Does the safe fit the UL fireproofing standards suitable for the items you are storing?
- Has the safe been approved by the GSA (U.S. Government Service Administration)? Most safes with GSA approval are used to protect classified information. This speaks to the quality of the safe.
- What is the safe's burglary classification? TL-15 classification offers limited protection against common burglary tools, while TL-30 offers more protection.

Remember: After you install your safe, let only one or two trusted people know where it is and how to open it. No one else should know of its existence. Experts emphasize that burglaries are often based on inside information, and a child or teenager may not realize the repercussions of mentioning the family safe. Some caution that thefts are often instigated by family members, as unimaginable as it may seem to the owner.

7. Detailed Examples of Diversion Safes

General Considerations

Selecting a safe can be complicated and may be unreasonably expensive unless you have a large quantity of valuable items. As one security expert puts it, to safeguard your valuables “you can't go wrong with a big old Herkin' fire-proof, tamper-proof, safe bolted to the floor in your office or bedroom. That's a smart way to go not only because a safe that's bolted to the floor is impossible to steal, but because safes with UL ratings are fireproof too.”

However, some people worry about compromising the safety of family members if a home invasion occurs and burglars become aware of the safe. They're looking for a less visible solution. If you have items you want to secure but hesitate to buy or install a large safe, alternatives exist. Choosing a small safe that is not bolted down—even though it may be very difficult to open—may possibly result in a burglar just carrying the safe off and opening it later. One alternative to a full-fledged locked safe is a diversion safe.

According to <http://www.diversionsafesonline.com>, typical diversion safes are “home security products that are designed to look like everyday, ordinary household items. These safes appear to be objects that are commonly found in any home, such as books, candles or canned items, but they are actually hollowed out containers that you can hide valuables in to keep them secure from thieves.”

The site claims these faux products “look so much like the real thing that a criminal will be very unlikely to even notice them even when they are hidden right out in the open. For example, you can store cash in your bedroom inside a book safe, or candle safe. Your valuable jewelry can be kept in the bathroom disguised in a safe that appears to be a can of hair spray, shaving cream or foot powder. Hide items in your garage disguised as an oil can, degreaser or sealant.”

A diversion safe can also be used to store a spare house key outside of the home, although the hollow rock is not a good idea. Some lesser-known outside diversion safes include fake sprinkler heads and outdoor thermometers.

A listing of diversion safes and some advantages and disadvantages appears below. Keep these important cautions in mind:

1. As stated earlier, do not tell anyone but your spouse or **one** trusted adult child that you even have a diversion safe. Especially do not tell your minor children of the existence of your safe. This will protect everyone in the case of a home invasion and keep the word of your stash from spreading. An article entitled “Hidden Safe Should Remain a Secret,” (<http://wallsafeonline.com/hidden-wall-safe/>) presents a more detailed explanation of maintaining secrecy about any safe you use—not just its location but even its existence. The author points out that, if burglars know you have a safe, they will put extra time and effort in trying to find it.
2. **Important:** Pick a diversion safe that is not well known in the market because burglars keep up to date on these items and know what to check out. Even better, make your own diversion safe or develop an unusual hiding place.
3. Locate the diversion safe in a logical place. Obviously, a fake can of peas in your dresser drawer is going to be a big tip off. The bedroom is a bad place for a wall safe; one expert suggested a messy hall closet instead. If you're using a can safe, pick one that won't look out of place at the back of a cupboard or storage cabinet and one that won't be attractive to your children or visitors. If you're making your own diversion container, store it in its natural environment (like a used paint can in the garage).
4. Consider separating your valuables into two types and storing them separately: (a) items you want to be able to access frequently, such as jewelry or cash, and (b) valuables you want to store for the long term (precious metals, especially valuable jewelry).

5. Remember that diversion safes are not, for the most part, fireproof. Store your important documents in a fire-proof box or safe, if at all possible. Diversion safes are also not usually large enough to hold documents.

Summary of Types of Diversion Safes, Advantages, and Disadvantages

Diversion Safe Type	Advantages	Disadvantages
Imitation household product or food canister (vegetables, shaving cream, auto products) Candle safe	Inexpensive, no installation Readily available online	Size, unrealistic weight Chance of being accidentally discarded Easy to carry away Chance of discovery by family or friends Burglar familiarity
Soda can Bottled water	Now very realistic, weighted Inexpensive, no installation	Burglar familiarity Chance of discovery by family or friends
Fake book (hollowed-out book, sometimes lined)	Inexpensive, no installation Readily available online Can be homemade to fit in with other books	Burglar familiarity Obvious if burglar dumps books off shelves Must be placed among other hard-cover books to seem real
Clock safe Touch light Surge protector Pillow safe	Less common No installation	Limit on weight and size of valuables Can look out of place Chance of being accidentally discarded
Head of lettuce	Inexpensive Readily available	Chance of discovery by family or friends Chance of being accidentally discarded Obvious lack of aging
Undershorts (come with off-putting "skid marks")	Less common Easily hidden in drawer 4" by 10" compartment with Velcro closure Disgusting to burglars	Limited storage Cheap (\$12) and funny High chance of being accidentally discarded
File cabinet with hidden compartment http://www.hiddensafes.com/oak_file.htm	Good if it blends in with your furniture Roomy enough to store papers	Expensive (\$2900) Not fireproof
Magnetic compartment (Secret Safe) http://www.safetystash.com (See more information below.)	Less common Comes in five sizes Can be used with vehicle or back of home appliances Waterproof, padded Comes in nonmagnetic form	Largest size is about 8" x 4" x 3.5" for \$99 Needs to be attached to metal object

	and could be buried	
Wall outlet safe (fake electrical outlet) (See more information below.)	Easily installed Less common Very effective behind a piece of furniture (logical that nothing is plugged into outlet) Can be home made	Small size Leaves a hole if removed Looks authentic only if you have multiple outlets
Air vent safe (See more information below.)	Less common Blends easily into environment More storage room than many other diversion safes Can be home made	Requires installation Relatively expensive (\$275) Leaves a hole if removed
Custom-made container using household objects like used paint can, old appliances, etc.	Home made Authentic looking, can be weighted, if need be	Chance of being accidentally discarded

Secret Safe Magnetic Containers

These boxes can protect valuables during travel, as well as at home. Details on the secret stash safe on <http://www.safetystash.com/> are as follows: "This sturdy box allows you to safely conceal personal items and valuables on any metal surface including, but not limited to **the underside of your vehicle**. Bolted to each box are **super strong magnets** that create a completely secure method of safely concealing your valuables. All containers are water proof and airtight (to a depth of over 100 meters underwater) once properly closed and latched. The vapor seal is created with a rubber O-ring in the lid. ... some models allow the use of a lock to prevent unwanted access to the contents of your Secret Safe. The inside is padded with a soft rubberized foam to protect your valuables while in transit. Secret Safes can hold many items: spare keys, some extra cash, passports, jewelry or fine stones, art and more. These sizes and many larger ones are available without magnets for protecting laptops, MP3's, digital cameras, cell phones, or anything else you wish to keep vapor protected." The safes come in five sizes,

Wall Outlet Safe

According to <http://www.thinkgeek.com/gadgets/security/855d/>, wall outlet safes "allow you to hide valuables inside one of many identical looking wall outlets you already have in your home, the last place someone is likely to look. According to the Chicago Police these units are better than a locked safe and a hundred times cheaper. Worried about the outlet cover not matching your other outlets? No sweat, you can interchange any standard plug cover for this one to match your other plugs." The site lists the following features:

- High impact plastic and metal
- Once installed it pivots out to reveal the secret hiding place
- Comes with cutout saw and template for easy installation in just minutes
- Dimensions: 7"H x 3.5"W x 2.5"D

Air Vent Safes

Air vent safes have several advantages. One site, <http://www.hiddensafes.com/airvent.htm>, gives information on these safes, which the site says are easily installed in walls with studs 16" on center or greater. The site explains that a quarter-turn fastener hidden in the louvers will open the vent assembly "like a drawbridge revealing the secret compartment. The compartment has two removable shelves and is installed by cutting a hole in the drywall or paneling with a razor knife or hacksaw blade and adding four screws" With inside dimensions of 14½"w by 8¼"h by 3¾"d, sells for about \$260, plus shipping.

Making Your Own Diversion Safe

As mentioned in the chart above, many diversion containers can be made at home. Here your ingenuity can come into play in creating your own individual hiding place, and these one-of-a-kind containers will not be on burglars' radar, as are many ready-made items. The used paint can is a typical example, but any item that can be hollowed out will work. You can also develop stealthy ways to stash valuables

behind and under appliances and furniture. (Just be sure the item is not accidentally discarded; one responsible person should know the item and location.) You'll also want to keep the items in a reasonably accessible place (e.g., not behind the heaviest piece of furniture in your home) in case you are in a hurry.

Some information is available about creating your own wall or diversion safe:

- http://www.ehow.com/how_4826100_build-secret-wall-safe.html describes how to build a secret wall safe.
- For instructions on how to make your own can safe, go to www.instructables.com/id/Diversion-Safe--Can-Safe/

The best diversion safes are not described anywhere because those who have great secret hiding places don't want to reveal their locations.

Availability

The internet is full of sites and advertisements related to diversion safes. Look up **diversion safe, secret safe, or hidden safe**. But be careful; Google keeps all your search criteria, so you may want to use one of the other approaches listed in Chapter 7. Many of the products offered are duplicates. If you see repeated items on every site, avoid those items. Burglars do keep up to date on typical diversion safes.

If you want to see pictures of some of the most common types of diversion safes, go to the *Popular Mechanics* webpage, <http://www.popularmechanics.com/technology/gadgets/reviews/secret-safes-to-hide-valuables>.

8. Documents to Safeguard

If you're buying a safe for valuables, it is also ideal for protecting your critical records and documents. In the event of a disaster or casualty, having access to these important papers will make recovery easier. Since your safe deposit box will be sealed upon your death, your family will also appreciate having these papers handy in a fireproof safe or cabinet.

Typical documents to retain and storage time:

- Adoption Papers: ongoing
- Auto Title and Registration Copy: ongoing
- Bank Records: for seven years
- Birth and Death Certificates: ongoing
- Citizenship Papers: ongoing
- Contracts: for seven years after the term
- Child Custody Papers: ongoing
- Credit Card Numbers and Contact Information: ongoing
- Deeds: ongoing
- Divorce and Separation Papers: ongoing
- Durable Power of Attorney and similar documents: ongoing
- Medical Records: ongoing and updated as needed
- Property Inventory: ongoing and updated
- Insurance Policies: for four years after they have expired
- Loan Papers: for three years after the loan is cleared
- Marriage Certificate: ongoing
- Mortgage: for three years after the home is paid off
- Passport: until replaced
- Stock and Bond Certificates: for four years after they have been sold
- Tax Records: for six years and update as needed
- Trust Papers: ongoing and updated
- Warranties: as long as you own the item or the warranty remains in effect
- Instructions for Funeral Arrangements: ongoing
- Will: as long as it is in effect (store original with attorney)
-

9 MISCELLANEOUS

Cost of Security

Silver consultant Jason Hommel says about safeguarding silver assets: "Those who say they cannot afford security for their silver do not understand the concept of wealth, nor do they understand silver, nor security. If you actually have wealth, then by definition, you can afford to protect it."

He recommends spending up to 1% of the value of your silver, annually, on security. "For example, if you have \$5000 of silver, buy yourself a \$50 lock box, or a \$150 safe at Wal-Mart (maybe a floor safe), and maybe a dead bolt and solid core door for your closet. That would give you 4 locked doors, too: front door, closet door, floor safe door, safe door." Investors who plan to hold bullion for more than ten years may want to spend more at the outset. He says he spent 7% initially and now spends about 1/2 of 1% annually.

Another method of calculating the amount you should spend on security is given on the following site: <http://daddy.platte.name/2008/09/how-much-to-spend-on-security.html>

"The classic methodology is called annualized loss expectancy (ALE), and it's straightforward. Calculate the cost of a security incident in both tangibles like time and money, and intangibles like reputation and competitive advantage. Multiply that by the chance the incident will occur in a year. That tells you how much you should spend to mitigate the risk. So, for example, **if your store has a 10 percent chance of getting robbed and the cost of being robbed is \$10,000, then you should spend \$1,000 a year on security.** Spend more than that, and you're wasting money. Spend less than that, and you're also wasting money.

"Of course, that \$1,000 has to reduce the chance of being robbed to zero in order to be cost-effective. **If a security measure cuts the chance of robbery by 40 percent -- to 6 percent a year -- then you should spend no more than \$400 on it.** If another security measure reduces it by 80 percent, it's worth \$800. And if two security measures both reduce the chance of being robbed by 50 percent and one costs \$300 and the other \$700, the first one is worth it and the second isn't."

Family and Asset Security

Another reference is <http://www.homesecurityinformation.com/hidden-safe-options.htm>, a good site, with lots of practical information about other ways to ensure the safety of you and your valuables, such as motion-detector lighting and neighborhood watch.

McGoey says, "Whenever a family member leaves the home, they leave the zone of protection that we have created. One way to keep our family reasonably safe is to have a family security plan. When developing a family security plan you must give careful thought to the public routines of each family member and think of ways to keep them safe. One way to accomplish this is to hold a family meeting to discuss the security plan and explore *what if* scenarios of real life situations. For example, *what if* we need to use the bank ATM machine? What steps should we take to make the process safer? *What if* we need to go to the shopping mall? What precautions can we take to be safe in the parking lot? *What if* someone approaches to rob us while walking to our car? What should we do and how should we react? Where would we go and who would we notify in case of emergency?

"Most people have no such family plan nor have they met as a family to discuss *what if* scenarios. When or if a criminal assault occurs, the unprepared family will have to rely on natural instinct in response to an incident. What if their natural response is wrong or their reaction inappropriate, under the circumstances? We read about these cases all the time in the newspaper. For example, a man tried to overpower a gunman, only to be shot and killed. We have also become aware of incidents where a child was tricked to get into a car of a total stranger and kidnapped while walking home from school."

Additional lists.

Here is an excellent article from The Survivalist Blog on [hiding objects](#) in your home...

[Independent Living News](#) released a report with a host of informational tips on techniques and locations you can use to stash valuables. If you're looking for additional ideas, send me an email and I'll email you the IL writeup.

And from EHow comes this advice on bypassing a metal detector at an airport. The principles are also applicable for other circumstances.

1. Wrap the object that you wish to hide from the metal detector in an asbestos sheet.
2. Place the wrapped object in a bag so that the asbestos sheet will be out of view and not arouse suspicion.
3. Walk through the metal detector."

D. AN IDENTITY THEFT PRIMER

We've all heard the horror stories of people who have suffered identity theft. The Federal Trade Commission defines it as "crime in which someone wrongfully obtains and uses another person's personal data...typically for economic gain."

Despite widespread publicity, the Javelin Better Business Bureau Survey found that identity theft is still rampant. Although the number of US adults victimized by ID fraud decreased to 8.9 million in 2006, the total amount stolen was \$56.6 billion, with an average loss of \$6,383 per person. We have been unable to find updated statistics, but we know that the scammers continue to find new ways of stealing your money and your identity. Javelin found that credit card ID theft was the most common, and it's the quickest to correct. If you report the theft immediately, you are liable for a maximum of \$50. According to *Money*, the biggest threat is new-accounts fraud.

While victims generally were able to recoup most of their financial loss, it took them an average of 40 hours to resolve the resulting damage to their credit. Some victims report having had problems for years, depending upon the extent of the crime. Once thieves obtain credit card or bank account information, it can be sold on the internet, and law enforcement cannot keep up with the shifting underground network of sites.

From a wide variety of sources, we have compiled a checklist to help our clients avoid theft of their data and identity. Undoubtedly, you already take many of these precautions, but reading through the list will help sharpen your awareness of the many ways your identity can be stolen.

The primary directive is this: Safeguard your information in any way you can.

Social Security Number (the primary piece of information thieves want)

- Don't use your SSN for identification except as required. Ask for an alternate identifier number for non-governmental agencies. You can decline to give your number, but you may have to explain why you don't want to give it out. Awareness is spreading that your SSN is the key for thieves to access your personal information in a variety of data banks.
- Not every request for your number is legitimate. The only transactions where the SSN is required by law are tax-related (employment, house purchase, new bank account), Medicare/Medicaid, veterans' benefits, and the like. *Forbes* reports that "credit bureaus get along without SSNs on a third of the consumers in their files," so you can apply by putting "N/A" in the SSN slot. You may be rejected, but you can always reapply.
- Don't carry your Social Security card (or Medicare card) in your wallet.
- Review your yearly statement, as well as those of your children. Using a child's stolen SSN can provide a thief with years of stolen identity.
- In addition, you should be wary of giving out your mother's maiden name. This is the second most valuable piece of information for a thief. Don't use this name as a password prompt for online purchasing accounts.

Your home mail and your trash

- Watch your mail, making sure your bills arrive on schedule. Missing mail can be a sign of theft.
- Safeguard your mailbox. Use a locked box, if possible. If you live in a risky area, get a post office box.
- Mail payments at the post office or use online banking. Don't leave outgoing mail in your own mailbox where passersby could pick it up.
- Use a **cross-cut** shredder to destroy personal information before throwing documents (including bank statements and canceled checks) away. Some people go so far as to shred any personalized mail, including envelopes.
- Especially be sure to shred credit card offers and cash advance checks. Also, ask the issuer to remove your name from the mailing list for those offers.
- Remove your name from marketing lists. Call the credit reporting industry's opt-out service, 888-567-8688, to eliminate credit card and insurance offers based on your credit score.

Your credit transactions and accounts

- Check your credit report. You are entitled to a free yearly report from each of the credit reporting companies (Equifax, Experian, and TransUnion). You can space out these reports so you review the history once every four months. Request copies at www.annualcreditreport.com.
- Monitor your accounts online. You might want to reserve one credit card for online transactions and check it regularly for fraudulent charges.
- If you are advised of a security breach by an institution that has your data (the media has reported this several times recently), you may want to check your credit report frequently for some months.
- A new scam to beware of is theft of your credit card numbers through RFID (radio frequency ID). Some credit cards have an RFID signal that speeds transactions. (You can check your card; if it has RFID, you'll see a symbol that looks like three progressively larger right parentheses – like a volume indicator on your computer). People can get your credit card numbers by carrying a card reader and just putting it in the vicinity of your out-of-sight credit card. What can you do to prevent this theft? (1) carry two cards with RFID, close together, which reduces the possibility of scanning. (2) Or, even better, buy a scan-proof holder (available at Magellan and TravelSmith) or make your own purse or wallet insert with aluminum foil and duct tape. (You'll find instructions for this on the internet under RFID proof or blocking.)
- In addition to making sure nobody is trying to see your PIN as you enter it, use secure ATMs. (This defeats electronic "skimmers," which can be installed over legitimate ATM card slots to record your data.) It is increasingly hard to detect the presence of a skimmer, so using an inside ATM is a good idea; it's hard for someone to install a skimmer at an ATM that is scrutinized by employees.
- When you're paying by credit card, unscrupulous employees can use a cell phone to take a picture of your card, giving the thief your number, expiration date, and name. They can also scan the card twice. Be alert to suspicious activity, and check your account online as soon as possible.
- On a credit card receipt, the entire card number should not be printed on the slip. If it is, scratch off all but the last four numbers.
- Put your credit card on the table or counter face down to avoid having a passerby snap a cell phone photo.
- Make sure you get your own card back. (People have been known to get an expired card—not theirs—back with a receipt. They don't catch it until later.)
- Avoid unknown merchandisers online. A new scam is the development of official-looking websites with bargain-basement prices. The scammers even copy existing sites' webpages. Usually these sites are detected and shut down within six to eight days. Check the URL to make sure the sites are legitimate, and only respond to offers you know are from the real website.

Your computer

- Use an up-to-date computer security system, including firewall, anti-spyware, and anti-virus software.
- Select passwords that are not obvious, and don't use the same password for all accounts. Keep this information secure at home (not under your mousepad). See "Password Primer" at the end of this article for more information.
- Install Microsoft program updates if you have a PC to reduce your exposure to viruses.
- Patronize only reputable companies that have secure sites. The data should be encrypted in transit (recognizable if the site reads "https" with that final **S**). Read the companies' privacy and security policies to make sure they are protecting your information.
- Keep backup copies of computer files and identity documents in a safe place. In a catastrophe, loss of financial records can create danger of ID theft, not to mention deprive you of access to your resources at a time when you really need them.
- If you dispose of old computer drives (hard or floppy), be sure to wipe them clean with a disk utility first. Get professional advice if you're not sure about how to do this.
- If you use a Wi-Fi connection away from home, make sure it is a protected network. Hotels and independent shops sometimes have a wide-open network.
- Don't keep financial information on a laptop that leaves your home or office.

Phishing phone calls and e-mails

The FTC reports that 53 percent of the fraud complaints received in 2004 involved "phishing" scams (use of official-looking websites or e-mails to gain personal information).

- Never reveal personal information by phone, mail, or internet unless you are sure of the questioner. No reliable institution will initiate a request for this information to “verify your account.”
- Never click on links in unsolicited e-mail offers. If you’re interested and it’s a reputable company, go directly to the website to look for the offer.
- If an offer sounds too good to be true, don’t bite. We are all alert to the Nigerian banking offer, but criminals have hatched many alluring variations. Now they send messages that almost indistinguishable from your official bank or credit card correspondence. Official-looking e-mails may not be real.

Banking

- Put a minimum of personal information on your checks (**not** your SSN or driver’s license number).
- Have your checks printed with a different name than you sign (e.g., initials if you sign your full name). This enables your bank to differentiate your signature from that of a forger.
- Consider not including your address on your checks. You can cash checks at your bank without it, and with debit card and charge cards, you probably no longer write many checks at a store.
- Don’t put the full number of your credit account on a check when you’re making a payment, just the last four numbers. Online payments help eliminate some risk.
- Pick your new check orders up at the bank, if you can, instead of having them mailed.
- Carefully monitor your monthly bank statements or check your accounts online frequently.

Theft of your wallet or purse

- Photocopy both sides of the licenses and credit cards you carry in your wallet, and keep the copies in a safe, accessible place. Knowing the exact numbers to call and having all data at hand is very helpful if your wallet is lost or stolen.
- If you’re traveling, copy your passport. Keep a copy at home that can be faxed to you, if necessary.
- Keep your wallet in an inside pocket. Women can buy theft-proof handbags that are slash proof and have a cable embedded in the strap, which keeps a thief from slashing and running away with your purse. These handbags are available at several websites, including Magellan and TravelSmith.

To provide some assistance in this war against identity theft, MasterCard, Visa, and many banks are using their computer systems to monitor account spending patterns. MC and Visa also monitor websites that sell stolen credit card numbers and identities. Many banks provide ID theft protection, and some homeowners’ policies protect you. Check what insurance you are provided without cost. Since you are liable for only \$50 in fraudulent credit card charges, for example, it’s not worth paying for card-sponsored services.

If you think your identity has been stolen, here's what to do:

It’s important that you take control at this point, so it is recommended you start a log, which will help you do that. Keep records of the time you spend and your conversations, including dates, names, and phone numbers. If you itemize your taxes, you can deduct theft-related expenses, so record everything. You can also use all this information for any legal action you might take against the thief.

Depending upon the type of ID theft, there are a variety of steps to take. The FTC’s ID theft website recommends the following four, to start:

1. Contact the fraud departments of any one of the three consumer reporting companies to place a fraud alert on your credit report. A fraud alert tells creditors to follow certain procedures before open any new accounts.
2. Close the accounts that you know or believe have been tampered with or opened fraudulently. Use the ID Theft Affidavit available at the FTC site when disputing new unauthorized accounts. If the account is for a credit card, also call the company’s credit line department to decrease your credit limit immediately.

3. File your complaint with the FTC. You may print a copy of your complaint to provide important standardized information for your police report. The Identity Theft and Assumption Deterrence Act (1998) gives the FTC responsibility for receiving and processing complaints and for providing victims with materials to help them recover.
4. File a report with your local police or police in the community where the identity theft took place. Give the police a copy of your FTC ID Theft complaint form. Get a copy of the police report (or, at least, the police report number).

It's important to find specific information about dealing with the type of theft you have suffered. You may want to seek legal help, depending upon the extent of the theft, but the following sites contain an abundance of specific information on recovery from identity theft.

www.ftc.gov/idtheft — The Federal Trade Commission site, where you can file your complaint and download an ID Theft Affidavit

<http://www.usdoj.gov/criminal/fraud/idtheft.html> — Department of Justice pages with useful information on preventing and resolving identity theft

www.privacyrights.org — Privacy Rights Clearinghouse (nonprofit), especially Fact Sheet 17a, Identity Theft Victim's Guide

www.ic3.gov — The Internet Crime Complaint Center (IC3), a partnership between the FBI and the National White Collar Crime Center, which receives, develops, and refers criminal complaints regarding cyber crime

www.idtheftcenter.org — Identity Theft Resource Center (ITRC), a nonprofit national program dedicated exclusively to identity theft, providing consumer and victim support and advising governmental agencies, legislators and companies about ID theft

www.nolo.com — Nolo Press site: Search for "identity theft" on the entire site (not products), and you'll find a variety of useful articles.

Password Primer

It's worth putting some effort into making sure your passwords provide the protection they should.. You shouldn't use the same password for all sites, nor should you have a list of passwords with a laptop or at your PC. If you're using passwords like *password*, *123456*, *qwerty*, *monkey*, or *letmein*, you need to change.

To be very secure, passwords should be unique (different passwords for an office computer, a laptop, and a home PC). They should incorporate a total of at least eight or more upper- and lower-case letters, numbers, and, if possible, punctuation or symbols like \$, *, and &. Don't use standard words, which are open to dictionary attacks. Also, avoid well-known personal information, and don't use your home address or social security number (giving a successful hacker even more personal information about you).

After you write down all sites where you use a password and your username for those sites, divide them into three categories:

1. **high-security sites** dealing with your money, financial brokerage, online banking, PayPal, sensitive personal information;
2. **medium-security sites** of a personal nature, such as e-mail accounts and instant messaging logons;
3. **low-security sites**, including email groups and news or other sites that require a password.

Category 3 sites can all have the same simple password. Category 2 sites can have the same password or a slight variation, perhaps using introductory letters from the site name. Category 1 sites require the most focus.

Here's a method from Microsoft to create a strong, memorable password.

1. Think of a sentence you can remember to form the basis of your password. Include capital letters. (e.g., "My son Alan is three years old.") Use the pass phrase, with spaces, if your system or the site will support it.
2. Convert it if you want a shorter password, using the first letter or abbreviation of most words. (e.g., "MsAlityo")
3. Add complexity. Besides capital letters, use some numbers, symbols, or misspellings. ("MySoNAllanis3yo" or "My\$Aliz3yo")

This is just a sample, but you can easily devise your own system. Varieties of your system can cover each of your high-security sites.

Change your passwords if there's a possibility they have been exposed. Also, do not type your passwords into a public computer or into a laptop on a non-secure connection.

Sources: www.microsoft.com/protect/yourself/password/create.msp and Yahoo! Tech, "Most Common Passwords" and "Password Makeover"

E. GEO-PHYSICAL CHALLENGES

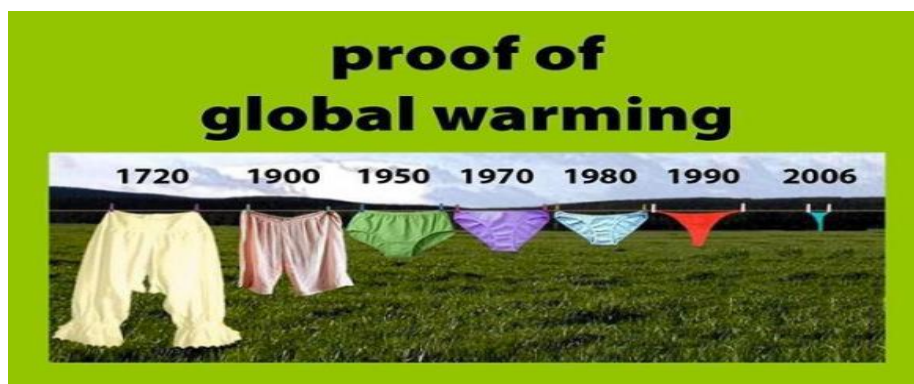
A very disturbing data set that warrants consideration is the subtle disclosure of a number of strange actions being taken by our elected officials and their minions—AND WE ALWAYS TRY TO WATCH WHAT OUR GOVERNMENT IS DOING. And as noted on page 66, Lindsey Williams relayed a prediction from an elite friend about an east coast tsunami expected from a meteor strike near Puerto Rico.

Insiders going underground? Consider these recent developments:

- Massive [underground bunkers](#) and other complexes have been and are being constructed and provisioned by governments around the world. Why were these complexes built?
- An extensive [seed vault](#) was hurriedly and quietly constructed and sealed on a Norwegian island in the Svalbard archipelago. Countries from around the world contributed seeds from their culture, so that **civilization could be restarted** in the event that much of it gets wiped out!
- After ignoring for years possible damage to the power grid from a solar flare or a nuclear warhead detonated at high altitude, the government is finally taking some initiative. [Grid Ex II](#) was an exercise completed late in 2013, testing the power grid's vulnerability to physical and cyber-attacks. Much more on EMP is included in appendix F.
- The Russian Ministry of Health (MOH) was reportedly provided with a USB flash drive from Edward Snowden containing a 2004 Defense Department report that covered "climate changes over the next 20 years that could cost millions of lives."
- The MOH also said that the Obama Administration currently fears (or is planning for) "social anarchy" resulting from the death of millions of Americans in an upcoming pandemic.
- We covered earlier (page 36) the mysterious [Georgia Guidestones](#), whose construction was anonymously paid for, and which carries a [chilling survival message](#) in 7 languages.
- Over the past year, the internet has been saturated with reports of massive movement of military equipment away from both the East and West coasts, with speculation that Denver is slated to become the new nation's capital.
- Senior Navy officials have been reported moving into retirement, away from the oceans and into the Ozark Mountains, which contain thousands of natural granite caves.
- This article contains a [whistleblower's description](#) of extensive infrastructure beneath the Denver International airport.

Government is clearly preparing for something significant, but is not sharing its concerns with the populace. So in planning to protect our wealth we may also need to consider a threat of some sort of geophysically-induced collapse. This might mean that **few or no forms of paper assets will survive**.

Climate change. Massive [fraud has characterized](#) the attempt by Al Gore and other globalists to sell the theory of "global warming." The truth is easily confirmed by comparing "adjusted" temperatures from three fraudulent reporting agencies with the thermometers and published data of US government agencies. Signs that "global warming" is a scam are [all around](#) for those who care to look.



Freeman Dyson, a top theoretical physicist and contemporary of Einstein at Princeton, went public to [blast the global warming crowd](#), calling the idea an “agenda-driven” perspective.

Dr. Philip Lloyd, a South Africa-based physicist and [climate researcher](#), examined ice core-based temperature data going back 8,000 years and found that the standard deviation over that period was about 0.98 degrees Celsius, which is higher than the 0.85 degrees climate scientists say the world has warmed over the last century. Controllers obviously know that “climate change” is a hoax, but are attempting to use it anyway as an vehicle for increasing their power over humanity. The late 2015 [climate-change agreement](#) negotiated in Paris is an attempt to transfer massive wealth, without having any affect on the climate.

Further, attempts by the Global Warming crowd to blame a 1 to 3 degree increase in sea temperature on man, deliberately overlook the huge number of [undersea volcanoes](#)—which erupt in bursts; plus [peat fires burning](#) in Indonesia—which create greenhouse gas that exceeds emission from the entire US economy; and data reported by the University of Amsterdam that emissions from livestock exceed those created by automobiles.



Global cooling. In fact, climate experts are warning that the amount of light and warmth released by the sun is nosediving to levels not seen for 300 years. A new study that claims to have cracked solar cycles predicts that between 2020 and 2030, solar cycles will cancel each other out. The result will be a phenomenon known as the “[Maunder Minimum](#),” with conditions similar to the mini ice age that hit between 1646 and 1715 and froze over the River Thames in London.

Wonder if that’s the reason national USHCN monthly [average temperature updates](#) are being discontinued? We are in a natural cycle and the energy output of the [sun is in crash mode](#)—with the North Pole now [100% frozen](#), from Canada to Russia, accompanied by ice reaching as far south as Nova Scotia and almost to Iceland. And the South Pole is re-freezing.

Weather systems. The **El Nino** weather system of 2015-16 is living up to its potential as the strongest since record-keeping began in 1950. The [warming pattern](#) is bringing rain to California and a possible repeat of 1997-98 which resulted in floods, fires, drought and other calamities.

And just in time, for 78% of California was in exceptional drought, up 22% from just a year ago. The Journal of the American Geophysical Union reported drought there at its [worst in 1200 years](#). The Union formed its conclusions by studying tree rings. “Although there are 37 times over the past 1,200 years when there were three-year dry periods in California, no period had as little rainfall and as high temperatures as 2012-14,” the scientists concluded. Downtown Los Angeles was the driest it’s been since records began to be kept in 1877. California finally ordered its first ever mandatory [curbs on water use](#)—25% for all, it seems, except fracking operations in the state!



Brazil is also experiencing drought—so severe that its Jaguari reservoir has fallen to its lowest level ever. Leaders of Sao Paulo and Rio de Janeiro, which depend on the reservoir, have sent their [disagreement](#) over who gets what little water that's left to the nation's highest court. This standoff is occurring in a nation with more water resources than any other country in the world. One in three of the world's 100 largest cities is under water stress.

Besides nature, other significant contributions are in play. Start with the [Air Force Weather Agency](#), whose mission is weather modification; in fact, they may have actively participated in the state's drying out (see below)... And according to Chapman University professor Joel Kotkin, environmentalism has hurt the state by [greatly contributing to the water shortage](#). 185 dams were removed between 1999 and 2007, reducing water storage; water now flows into the ocean rather than being available for human use.

And unfortunately, following El Nino, a strong La Nina is coming—providing the opposite conditions, and meaning that the respite in the US Southwest from drought is likely to be short-lived.

Water wars are coming. Despite the widely-reported precarious case of [Lake Mead](#), which is at its lowest level since 1937, residents of the surrounding area still refuse to listen. 5% of irrigated cropland is going out of production. People are already [stealing water](#). Drinking water intakes could go dry in Las Vegas, a city of 2 million residents and destination for 40 million tourists per year. "The Colorado is a dying river. Ultimately, Las Vegas and our civilization in the American Southwest is going to disappear, like the Indians did before us." One likely result, if conditions continue, will be migration out of California, Las Vegas and even Arizona.

Weather modification? Is Mother Nature imposing her will? Or is something else going on? Some "evidence" exists that drought in the Southwest [was due](#) to the use of the government's [HAARP](#) system in a failed attempt to keep radioactive fallout from Fukushima away from the US. There is also evidence that the US government, which has an interest in controlling the weather for military applications, has employed HAARP and chemtrails to control weather at home as well.

This is geoengineering, and if you want detailed information on these activities, Dane Wigington has [posted it here](#). And here is a [comprehensive summary](#) of the evolution of weather modification in America.

Oklahoma is considering [tighter fracking regulations](#)—'bout time, after experiencing 35 earthquakes of 3.0 or higher magnitude in a one-week period starting June 17.

Fukushima is already the worst nuclear incident in history, while containing the [potential to become far worse](#). One source wrote that "We are facing a problem so large it's impossible to see all its dimensions." "Beyond current technology" was an assessment recently rendered for the potential [cleanup](#).

Washingtonsblog.com is among many sources relaying [additional information](#) about the disaster, such as that **all three nuclear reactors melted down**, and that the hottest hot particle found so far is 5 million-billion times greater than current government limits of what can be put in a landfill. At this time,

scientists have no idea where the cores of the nuclear reactors are. “It may take 200 years” to stabilize the environment.

Chris Harris, a former licensed Senior Reactor Operator & engineer agreed during an interview that “if it runs the next 20 years without anything happening, Fukushima is basically an **extinction event** for a good part of the human race and higher life forms... Containment – there isn’t any, even though today they started off probably another failed attempt at the ice walls; Cold shutdown is a myth at Fukushima — they declared it, but there is no cold shut down there; Cooling is a myth there, because you can’t tell that there is actual cooling going to where ever the fuel is; Waste processing... mountains of plastic bags, a mountain of them — that’s waste processing?; Decommissioning is a myth; Cleanup is a myth, it’s a waste generation facility; ... There is no containment; Emergency planning there is also a myth, as we have seen because of the faulty electrical systems and everything else from the makeshift system they do have running.”

Radiation expert Dr Ian Fairlie reported the death of 2000 evacuees from Fukushima Prefecture, with another 5000 expected to die from future cancers. Live births are down 15% and infant mortality is up 20%... The Pacific Ocean has become a kill zone, with “thousands of millions” of fish dying, including 25+ giant whale carcasses washing up on Pacific NW shores in a month’s time and a third massive rarely-seen 25-foot long oarfish washing up on Catalina Island.

Over 60 dead whales have washed up on beaches around the world in January 2016 alone. Probably 100,000 sea birds have died along the coast of Alaska and thousands of squid have washed up dead along the Chilean coast. A report states that 70% of our sea birds and 75% of the worlds fish are now depleted. **NOAA projects NO FISH left in our oceans by 2048.**



And the highest levels of radioactive cesium measured since testing began—8.4 Bq/m³ on a beach between LA and San Diego. Beta radiation levels are off the charts all across North America, according to new reports. Readings up to 500 times those of previous summers were measured in 2015 at locations in California, Arizona, Illinois and elsewhere. Radiation fallout from the Japanese nuclear disaster should remain a concern for Americans. Here’s an even more detailed, and discouraging, report on Fukushima.

But not to worry—the Olympic Games are coming to Japan, and all will be well.

Not to be forgotten. People living on the Gulf of Mexico are in **grave danger** and facing greatly reduced life spans. Corexit, which is banned in 17 countries, is still being sprayed at night by British Petroleum, using residents who have lost their livelihoods to do the work. This is yet another terrible tragedy being inflicted upon America and Americans.

Methane mess. The most massive gas well spill in a populated area in history has just occurred at Porter Ranch, CA, just north of Los Angeles. A plume of toxic chemicals from a Southern California Gas Company natural gas storage site, the “equivalent of a BP oil spill on land,” is causing “very unusual” infections and causing officials to counsel residents to leave the area. The leak occurred when a sub-surface safety valve installed over 8,000 feet underground in 1953 broke and began erupting “with the force of a volcano.” Methane is erupting from multiple sites as we enter February 2016, with company efforts to stop the leak having apparently worsened the situation, with no one able to predict the consequences.

Dynamic planet. Providing an awesome example of how Earth is not as stable as one might think, a 750 yard by 50 yard chasm just [opened in Wyoming](#) over a period of just two weeks. And the number of [volcanoes erupting right now](#) is greater than the 20th century's YEARLY average.

We're experiencing an elevated level of geophysical events around the globe: earthquakes, tornados, typhoons, volcanic eruptions (which set an [all-time high](#) in 2013), sinkholes, etc. This activity can be explained by a theory that says the Earth is physically expanding—and that these conditions will intensify. HPH predicts "major land mass changes over the next ten years, with 2017 being a near term peak."

So a number of the survival steps listed in chapter 6 might be needed for a geo-physical event, whether or not an economic collapse occurs. In our opinion, with the potential for physical destruction lurking, the greater the percentage of your assets you hold in physical form, the better.

We also wonder why governments around the world seem totally indifferent to the implications of their wanton expenditures and debt. Repaying that debt doesn't seem to be a concern. Perhaps material in appendix F explains it. Nearly three years ago (7/23/2012) the Sun sent two coronal mass ejections (CMEs) into space at 2000 miles per second. Recent [analysis showed](#) that if they had erupted nine days earlier Earth would have been directly in the path and we would still be trying to restore our civilization.

The figure below highlights interdependencies that exist to support our modern lifestyle. A failure of almost any key part of the system has the potential to ripple through the entire economic structure.

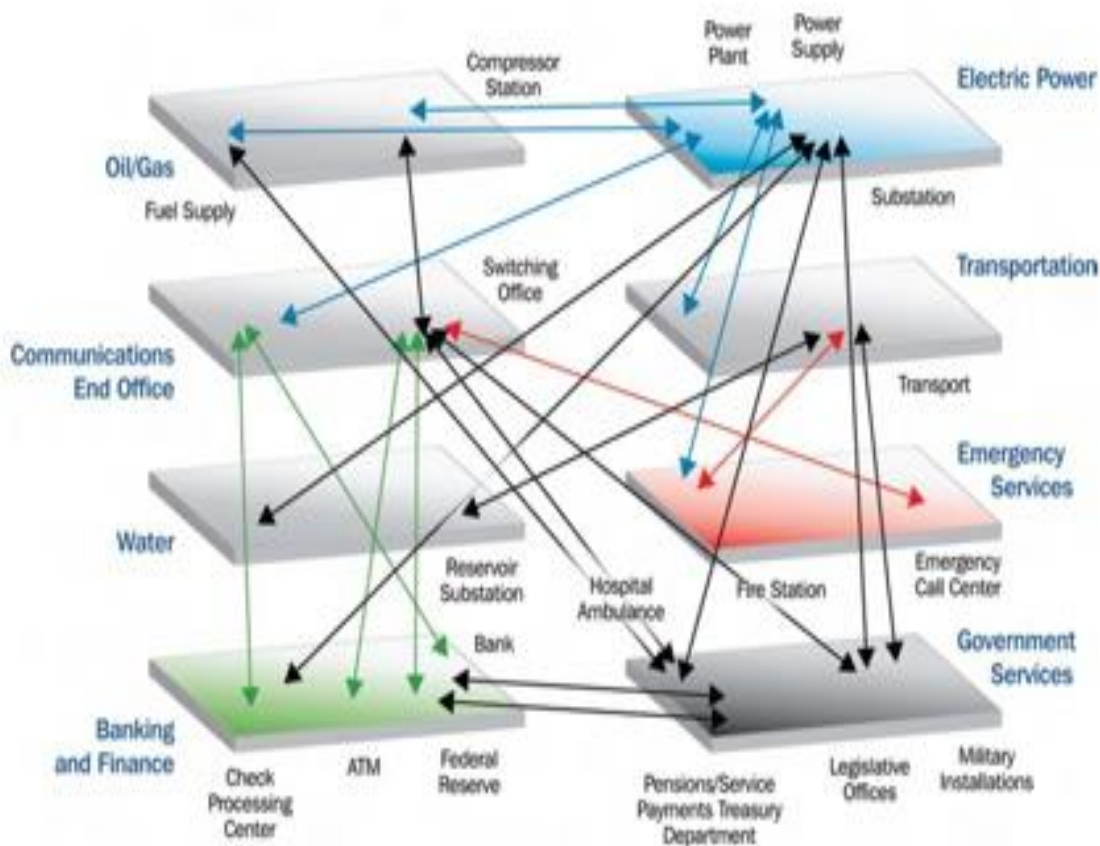


FIGURE 3.1 Connections and interdependencies across the economy. Schematic showing the interconnected infrastructures and their qualitative dependencies and interdependencies. SOURCE: Department of Homeland Security, National Infrastructure Protection Plan, available at http://www.dhs.gov/xprevprot/programs/editorial_0827.shtm.

F. EMP DEFENSE

What is an EMP? An electromagnetic pulse (EMP) is a powerful wave of gamma rays released from either a strong solar flare or a nuclear bomb detonated above the Earth's atmosphere. As this energy release hits the upper atmosphere it strips electrons from molecules, creating an electrical disturbance known as the Compton Effect. The oncoming wave builds into an avalanche as it travels downward, reaching an intensity of up to hundreds of amps per square meter by the time it strikes Earth's surface.

This powerful wave travels at the speed of light and cannot be seen or heard. It provides no warning. But for all electrical systems, it can be deadly. Similar to lightning, an EMP is attracted to metal surfaces such as girders, antennas and power lines. The larger the metallic object, the more energy absorbed; a miles long high-tension transmission line will absorb tens of thousands of amps and carry destruction into any delicate electronic circuit it encounters. The surge could be so concentrated that nothing working on low levels of electricity would survive.

Major effects. Satellites, computers and telephones are vulnerable, as are all other devices with circuit boards, integrated circuit chips and relays. Circuit-breakers don't help, because the EMP has no "buildup" for a breaker to detect; it comes through like a wall and does its damage in less than a millisecond. Automobiles with solid-state electronics might shut down as their computer circuitry failed. With modern aircraft totally reliant on computers, airborne aircraft could literally fall from the sky, out of control.

Of greater and longer-term concern are electrical grids. Many of the protective devices along our electrical grid that ensure fast recovery of critical system components would be damaged or destroyed. The system's surge protectors would be tripped or burned out, rendering them incapable of preventing further surges. Widespread damage to the generation, transmission, and distribution infrastructure is probable. An EMP could knock out some of the 2000 extra-high voltage (EHV) transformers that connect power plants to the grid around the world. These transformers are huge, weighing up to several hundred tons each. Since worldwide production capacity is only about 100 per year, power plants could be out of commission for months, or even years.

The destructive EMP effects of an atmospheric nuclear explosion are not hypothetical; they have been demonstrated (actually, discovered accidentally) by both the US and USSR in independent atmospheric tests. If a 1.4 megaton bomb were exploded about 250 miles above Kansas (the approximate center of the US), much if not all of the entire civilian power grid could – in theory – be taken down. This is a widely-known fact.

A solar EMP is a different matter. Released simultaneously with the EMP, which travels at the speed of light and arrives at Earth in 8 minutes, are two more waves. The second wave of energized particles arrives about an hour later and the final massive wave of plasma, containing very high-energy protons, takes from one to three days to arrive. The entire event is referred to as a Coronal Mass Ejection (or CME). The effect of solar EMP and CME waves depend on the intensity of the solar flare and its orientation to Earth. The more directly the flare faces Earth, the greater the impact. The CME wave can carry unbelievable heat energy and incinerate grass, trees, structures... and possibly humanity itself. But it has to be powerful enough to break through Earth's Magnetosphere. Prevailing opinion holds that the greatest damage from a solar event would be near Earth's magnetic poles, but the event would be global, not local, in nature.

Solar storm history. The most-cited example of a destructive Earth-striking CME was the so-called Carrington Event, when British astronomer Richard Carrington correlated a series of solar flares he observed from Aug 28 to Sep 2, 1859 with a resulting storm on Sep 1-2 – which produced vivid auroras as far south as Cuba and was so bright gold miners in the Rocky Mountains got up in the middle of the night thinking daylight had arrived. The storm lasted several days and overwhelmed the telegraph industry, shocking operators, causing railroad ties to burst into flames, and more. In the ensuing 152 years, another 100 solar storms have hit Earth. Most simply resulted in great light shows. However in 1921, a CME hit that would collapse today's power grid. CME's also shut down the Quebec power grid in 1989 and damaged grids in Sweden and South Africa in 2003.

What's the probability that we will experience a devastating storm? The shocking answer, from enlightened observers, including NASA: "100%, within our lifetime." Closer in, the general consensus among solar astronomers was that the maximum intensity for current Solar Cycle 24 (which peaked in 2012-13) would be the most violent in 100 years. But even though the solar system itself is passing through an area of the galaxy containing increased magnetic energy, only one major flare has been released (in 2012) and Earth moved out of the way a week earlier.

How bad could the damage from an EMP be? It could be as bad as the grim forecast contained in William Forstchen's best-selling novel "One Second After" (lots of additional information at his website: <http://www.onesecondafter.com/index.html>). Without communication, transportation, and sustainable supplies of food, water and medicine, 90% of those in affected areas could die within a year. Forstchen's book is recommended reading for anyone who wants to seriously consider the consequences of dealing with the worst disaster you can possibly imagine.

An extensive power grid failure could also cause nuclear power plants within affected areas to shut down. Since the US Nuclear Regulatory Commission requires only one week's worth of generator fuel to be on hand, the threat to civilization from nuclear meltdown cannot be overstated. There are over 100 nuclear reactors in the US and over 400 worldwide. When fuel runs out, the pumps (which had been pumping as much as a million gallons of water a minute) will stop, and within a day or so, fuel rods would melt and explode, spewing deadly radiation into the air and around the world—400 times worse than Fukushima!

Government recognition. Mainstream media recently stepped up its coverage of the possible effects of an EMP. The North American Aerospace Command (NORAD) is officially on high alert and has cited risks of an EMP attack as a reason for its hasty relocation of critical operations to the Cheyenne Mountain complex, a Cold War era nuclear bunker. Admiral William Gortney, NORAD head, justified the move, saying, "Because of the very nature of the way that Cheyenne Mountain is built, it's EMP-hardened." There is speculation that mysterious Russian satellite "Object 2014-28E" orbiting over America may contain an EMP-capable nuclear warhead.

NASA is concerned enough about the near-term threat that it held regular conferences to discuss the vulnerability of our power grid to an Earth-striking EMP. Although the US House passed resolutions to deal with the threat in 2008 and 2010, the Senate failed to act on them. Dr Richard Fisher, director of NASA's Heliophysics division said in Sep of 2010: "We know it is coming; we just don't know how bad it will be." [This article contains](#) an 8-minute video, covering potential government actions. Why, after dragging its feet for years on this subject, is government now making plans? What do they suspect or think they know that is not being disclosed?

In a recent development, Congress slipped \$206 million for the electric grid and "energy reliability" in the FY 2016 budget. \$28 million of that amount was designated for "program direction." Since the cost of protecting the entire power grid has been estimated at \$20 billion, with \$2 billion just to protect the grid's transformers, there's no money to DO anything—except perhaps to study the problem and design a solution, which is better than continuing to do nothing at all.

Independent Living reported that the US Northern Command at Fort Carson, CO, has assembled a "microgrid," consisting of a backup solar array, plus backup diesel generators.

Indirect recognition of the threat came in late 2015 from Lloyd's of London, which has a reputation for insuring what other insurance companies won't touch. Lloyd's announced that it wouldn't provide liability coverage for injuries "directly or indirectly arising out of, resulting from or contributed to by electromagnetic fields, electromagnetic radiation, electromagnetism, radio waves or noise."

If an EMP strikes, what will you experience? Cell phones and some or all motor vehicles will suddenly stop working, without warning. Power will be out everywhere. No TV, no radio. Your electronic watch won't be running. Everything that was carried in digital space (including banking and savings accounts and 'money' itself) will be gone. Few, if any, people will realize initially what's happened. What will ensue is panic, at levels society has never experienced. Short-wave radio is likely to be the only source of outside

news. Then gradual awakening will occur, as someone who is aware of EMPs is able to make their voice heard.

If you see all vehicle traffic stop at the same time that the sun seems to brighten a little, you are experiencing a solar EMP – and a CME is on the way in 18 – 36 hours. If so, prepare to seek shelter: head underground if you can, to escape a potentially incredible wave of heat. Use the time you have to secure food, water and other desirable items before the rule of law breaks down.

What can one do to prepare for such an event? Start by watching the sun: www.spaceweather.com is one website you can visit on a regular basis. Think about disconnecting sensitive equipment if you see a major solar storm marching across its face. There are other obvious steps that should be taken to withstand an extended power outage due to any event: a secure source of drinking water, food and medicine and other emergency supplies to last at least 3 months, a means for heating and cooking, self-defense, etc. For more specific steps that can be taken, you might skim [this article](#) by Jeremiah Johnson.

Beyond that, consider having a spare for each important electrical item you want to operate afterwards. For extra safety, place items you are trying to protect in a “Faraday box” – a sealed all-metal enclosure. Google “faraday cage” and you’ll find plenty of information. You can wrap items in metal foil, but the item must be completely enclosed – no gaps or holes. Ammo boxes, metal file cabinets and galvanized trash cans make good boxes: place items inside so they do not touch the metal. You might line the can with non-conductive materials such as cardboard, wadded paper or plastic. You can also use an UNPLUGGED microwave oven to hold small items such as cell phones, FM/AM radios, spark plugs, walkie talkies, etc.

Independent Living News provided guidance for turning an emergency shelter into a Faraday cage. “Simply line it with copper or aluminum foil and cover the air vents with metal screening. Be sure the screen and the foil on the doors are all connected to the foil on the wall so that the covering will act as a continuous shield. Add a heavy carpet to the floor of your Faraday shelter so occupants won’t be in contact with the metal covering. Also be sure that equipment in the shelter doesn’t contact the foil lining.” I.L.N. manufactures portable solar backup power systems, and has also provided a link [here](#) to a 1-hour instructional **video showing exactly how to build** and wire a 100W solar system.

You can also try to use battery-operated equipment which has cords or antennas of only 30 inches or less in length, and operate it away from large metal objects such as a girder, telephone line, etc. If you decide to “harden” your electronics (survive an EMP while operating), you should be aware that there is disagreement about what will and will not work. You will want to consider additional techniques that have been proposed, including steps which have been taken by the US military.

After an EMP, your metal cage might carry residual static which could damage the protected equipment, so you should exercise caution before opening it. Demagnetize yourself first by grabbing a water or gas pipeline with one hand for a few seconds before opening your cache, then attach a large gauge copper wire to the cage and run it to a nearby metal water pipe to complete the ground.

Here is a think-piece with practical steps to prepare for “[lights out](#)” resulting from an EMP, plus many good readers comments on building a Faraday cage.

If all of this is too much for you, it is certainly understandable. But if an EMP is in fact inevitable, it won’t hurt to at least know how to recognize its effects so that you can begin anticipating the after-effects!

G. THE UNITED STATES, INCORPORATED

The US is a corporation? Not the republic Ben Franklin said the founders had created? This “theory” has been around for a long time, and is still widely treated as conspiracy. But in 2014 [Thrive initiated an effort](#) to determine for sure if the theory is true. The stakes are huge because if true—as appears to be the case—then Commercial law applies to the decisions of every government decision-maker, **making them personally liable for the consequences of their actions!**

A Thrive Together web conference focusing on this concept featured Canadian Cal Washington who with attorney Larry Becraft has used US Code 3001 to get over 20 civil cases dismissed—under the premise that corporate law applies to court transactions. Washington said that after the legal establishment learned to recognize him, he was often not allowed to sit near the plaintiff, occasionally denied access to the courtroom, and on two occasions had judges recuse themselves from a case when they recognized Cal sitting in the courtroom. Thus, as controversial as this idea is, there is evidence that it is true. Thrive issued an open request in 2014 for help in locating conclusive proof.

Lost our republic. [One version of the story](#) holds that on February 12, 1871 the US Congress, dealing with a broken and bankrupt nation following the Civil War, accepted financing from European bankers and passed “An Act To Provide A Government for the District of Columbia.” D.C. was then established and funded as a corporation known as THE UNITED STATES. Notice the capitalization: our nation was originally founded as the united states of America. The UNITED STATES is a registered corporation listed by Dun & Bradstreet on 12th Street in D.C. If you’d like to see a glimmer of the “evidence,” click on [this electronic D&B listing](#) and scroll down to the fourth item listed.

The original Constitution for the united states of America was effectively replaced by a document titled THE CONSTITUTION OF THE UNITED STATES OF AMERICA. And the government that operates out of D.C. uses Private International Law, not Common Law, which was the legal basis for the Constitutional Republic.



Here are two (of apparently a large number of) additional sources that surmise that the change that turned the U.S.A. into a US corporation began in 1871. First, a 47-minute interview with researcher [Sofia Smallstorm](#).

Another source to focus on 1871 [is here](#); click on “Lawfully Yours – etc...” for a 70-page pdf file, loaded with information (how, for example, to refuse an unwanted vaccination) credited to a Judge Dale. Also downloadable from the Anti-Corruption Society after the table of contents for the guide are 4x6 pocket notice cards for use with officials. While the above sources identified that after 1871 the Constitution was gone, others have gone further to determine whether our country EVER had one.

In this [long interview](#), “Constitutional Judge” Gary Darby states, starting at the 14:45 mark, that “every court is a for-profit corporation,” with a tax ID number, functioning under a monopoly controlled by the American Bar Association. The legal system is operated under Admiralty Law, where sovereignty or constitutional rights have no jurisdiction. And lots more. He also states that the Civil War was not about slavery; it was conducted to extinguish state sovereignty.

NEVER HAD a “constitution.” In another version of the story, British maverick David Icke maintains that the United States is actually a corporation owned by the British Crown, another corporation. In his view, we [never have been an independent nation](#). The Revolutionary War resulted in a “manufactured victory,” and the Virginia Company simply changed its name to the United States of America and other related pseudonyms. The article gets into gold-fringed flags (the presence of which indicates that constitutional rights are suspended).

Following is a more detailed explanation for the “never had a constitution” assertion. The founding fathers drafted and signed a document titled “The Constitution,” but it was NEVER ratified by the People. Participants at the Constitutional Convention represented individual States, but none of the individual States, whether on their own or with other States, had the legal ability to **create an authority that was superior** to any State. In the perspective of each State, the State was the highest authority of man. To create a super-sovereign authority with respect to any State, the sole source of authority was in the People, DIRECTLY. To get the lawful view of the People required **a plebiscite**—meaning that the votes of **a majority of lawful voters** in the individual States was required! [At that time, suffrage vested in white male landowners over the age of 21.]

That didn’t happen! The People did not participate. What resulted instead was a smokescreen to convince the people that a national government had been formed. Since then, the populace has been distracted by a series of political topics to think and talk about, few better than the “blame game” (“Look what the Republicans did today!” “Did you see what the Democrats did?”). One has to admit, it has been a brilliant distraction from what we should really be focusing on.

Experience from Texas. The “never had a constitution” position is maintained by a lawyer, in the Common Law sense of “Assistance of Counsel,” who has been working in this area since 2001. I’ve met with Legal Reality’s Harmon Taylor, whose personal “awakening” occurred as a result of a rather startling judicial ruling. He represented the survivors of the Murrah Building Bombing in an effort to preserve evidence (which included stopping the execution of McVeigh), and the appellate court described his 100% “constitutional” position as (1) frivolous, (2) without merit, (3) of no authority, and (4) ludicrous. That taught him, and all who study that case, that there’s no “constitution” at the moment. Taylor’s subsequent research into “when we lost it” led him to understand that we’ve never had a “constitution” to lose. How do we know? Two main concepts:

- (1) the **legally-required** plebiscite NEVER happened, and
- (2) **“Citizen of the United States” was not defined**, implication of which are that no one qualifies for federal offices, no legislation can be introduced, and there is no means for funding the “limited government” intended to be created.

Harmon notes that the Declaration of Independence plainly documents that due to abandonment of all legislative power by the king, those legislative powers (which cannot be “annihilated”) are vested in the People at large. By definition, when legislative power is placed in the hands of and exercised by the People, that form of government is labeled a “democracy.” Democracies can then change form only “by law.” To do that, democratic law-making procedures are initiated, including the plebiscite. From the beginning then we’ve had **a “democracy,” not a “republic;”** to change the form of government into a “republic” requires, among other things, a plebiscite. Harmon notes that of all the States that purport to have “constitutions” for “republican forms,” only Alabama and Texas appear to have plebiscites. He also noted that no “republic” (for limited government) can exist independently from the exclusive use of “honest weights and measures.” Where debt pretends to be “currency,” there simply can be no “republic.”

Taylor now works “in America and in the States (think honest weights and measures, as distinguished from ‘United States’ and the STATES).” Since he could no longer take an oath to support or “‘represent’ a system that is so drastically different in reality than the picture painted by the marketing on which we’ve all been raised,” he resigned his “license” in 2003 “to practice in the ‘place’ called ‘this state.’” He currently focuses his expertise on cases involving (1) income tax, (2) eminent domain (which also gets into property tax), and (3) transportation. Transportation entails “basic ticket matters, which should be ‘easy,’ but is a procedural minefield and a politically extremely hot potato.”

"Honest weights and measures" was the term used in the Constitution to refer to the use of gold and silver as money. Harmon noted that what originally circulated as Currency, contrasted with what circulates today further confirms that there is no "constitution." He teaches that the "constitution" is a "package deal." It's an "all or nothing" matter. Where any part of the plan is missing, the whole is missing. Gold stopped circulating circa 1933, under FDR, and silver stopped circulating circa 1965 under LBJ. There being no gold or silver coin in general circulation, it's plain that such "constitutional" requirement is missing. Where any part is missing, the whole is missing; therefore, there is no "constitution."

To ease us into understanding what it is, exactly, that we are dealing with when it comes to that system that purports to provide governmental services, Harmon teaches us this: "'Federal' means 'federal,' as in 'by agreement.' It doesn't mean 'national,' and it most certainly doesn't mean 'constitutional.' So, whatever is the organizational structure of an entity (the entities that comprise that system,) all component parts of that system function 'federally,' as in 'by agreement.' To understand this is to understand that the limit on the national system is with the person we find in the mirror."

"As with any self-governmental system, such system works only where the participants are, themselves, first self-disciplined. Today, we're taught to 'blame game,' meaning that we're taught to take no responsibility at all. Where the problems with 'government' are perceived as being 'out there,' somewhere, rather than with the party we find in the mirror, we have another confirmation that we have no self-government, including no 'constitution,' at the moment."

Some Significant Conclusions

We are not absent a government: we have one, but it's NOT a constitutional government.

Time and effort expended in seeking change along the political path placed in front of us is a waste of time. Taylor's estimate for how long it will take to transform the entire nation: "five generations."

Individuals at the highest political positions are placed there, like post-turtles (the turtle on the top of a fence post, which didn't get there on its own and can't do anything while there). Stories abound about the grooming process Obama absorbed before being placed in his present "destroy the US" role. And so (to repeat) individual labors against the current political system are a waste of time and resources.

What you can do to cope

Ultimately, stop using the corporation's funny money. Instead, use "honest weights-and-measures." That means gold and silver. Granted, that is NOT easy to do!

Take personal responsibility and learn about commercial agreements; that's how the world is working. If you are sued over your refusal to conform with the Controller's system, you will need to know how to argue "choice of law." **Right now, what's needed is for us to work to understand the system, rather than trying to fix it.**

An interesting new entrant in the world of real money is BitGold, which allows direct conversion between gold and Bitcoin—potentially bypassing the need for Federal Reserve Notes or a need to express monetary values in US dollar terms. But BitGold transactions are denominated in debt-based dollars, thereby not allowing the "choice in law" that is necessary to completely exit the system. BitGold could make it work by trading exclusively in "troy ounces."

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Information in this Appendix represents an effort by a concerned citizen (yours truly) to bring game-changing alternative reality into the light. I have neither the credentials nor the experience to authoritatively put this matter to rest. However I continue to receive additional information, which I will process and publish in our "Transformation Watch" monthly newsletter.