INTRODUCTION

There are deep and growing concerns among conservatives regarding neocon/globalist Establishment people who have moved into key positions of power in the Trump administration. These include the State Department (foreign policy); Defense Department (war policy); Treasury Department (financial policy); the intelligence agencies – which do have many Obama holdovers (domestic and foreign spying, surveillance, regime change, assassinations, etc.), and top advisory positions throughout the administration.

For several months, MIA has warned that the globalist Establishment would strike back against Trump via their fully controlled media propaganda machine; by triggering a collapse in the overstretched and vulnerable US economy and financial system and blaming it on Trump (and the conserva-

tives); by utilizing their Establishment cohorts in the Republican Party (such as John McCain, Paul Ryan, Lindsey Graham, etc.) to block or water down Trump’s promised agenda – think Obamacare repeal – soon to be called Obamacare-Lite (or Trumpcare-Lite); by inciting violent protests in the streets and on college campuses across America; and by infiltrating their people into key positions throughout his administration.

All of these “Empire Strikes Back” strategies are now in full gear, except for the financial collapse – which could occur anytime and will certainly be blamed on Trump. But most disturbing to conservatives who have supported Trump are the neocons and globalists who are filling many (if not most) of the key positions in the administration. MIA has long written that the globalist Establishment wants war – indeed a world war – out of the ashes of which they hope to establish their global
one-world government (the New World Order). This has not changed since the transition from Obama to Trump – if anything, it is accelerating.

Anti-Russia hysteria has reached a fever pitch in Washington and in the controlled media, and relations with China and Russia are plunging more than at any time in decades. America is now taking an increasingly belligerent, aggressive stance against Russia, China, Iran, and North Korea – moving troops, military equipment, and missiles into close proximity to these “evil regimes that threaten all of humanity” and threatening war if they do not do as we say.

America under Trump is moving more troops and equipment into Syria, Yemen, and the entire Middle East; increasing pressure to overthrow the Syrian government of Bashar Assad; moving troops and weapons (including missiles) into Poland and other countries surrounding Russia; dramatically increasing support for Saudi Arabia – which is supporting and funding the radical fundamentalist Muslim terrorists across the Middle East; pressuring China and sailing American warships into the South China Sea; and in recent days openly threatening North Korea with war.

US Secretary of State Tillerson, while in South Korea, said (on 3/17/17): “Preemptive military action against North Korea is an option if they elevate the threat of their weapons program to a level that we believe requires action. Let me be very clear: the policy of strategic patience (in place under Obama) has ended. We do not rule out a pre-emptive strike against North Korea.” At this writing, US/South Korean joint military exercises (involving 300,000 ROK and 15,000 American troops) are being held – the largest such maneuvers since the Korean War in 1951.

This writer is reminded of the reasons given for the second Gulf War against Iraq – “Saddam Hussein had Weapons of Mass Destruction that threatened all of humanity.” The truth is the American Establishment wanted war and a vastly increased US military presence in the Middle East, and those WMDs were chemical weapons supplied to Iraq by the Bush Sr. Administration during the eight-year Iran/Iraq war. But the public bought the propaganda and we went to war.

Giving Trump the benefit of the doubt, perhaps he has decided to flex America’s military muscle early on in his administration to show the world that we are still tough and won’t be pushed around. Or perhaps he is simply politically naïve and inexperienced, and does not fully understand the consequences of the neocon/globalist strategy to stir up a war, or their ultimate goal of world government. In either case, these policies (including sanctions against Russia, Iran, North Korea, and maybe soon China – like the sanctions against Japan in the late 1930s) are pushing the world closer to a major war – which is described in Part III below – The Winds of War (a war that could easily go nuclear).

Another reason for deep concern on the part of those who understand the times is the coming financial and economic storm (or meltdown) – which will be blamed on Trump and the conservatives. In spite of the Wall Street, media, Fed, and Establishment hype that the economy is great as far ahead as the eye can see, the reality is exactly the opposite. 1) declining wages; 2) the highest consumer debt in US history – $3.8 trillion; 3) collapsing first-quarter GDP estimates (i.e., 0.9%); 4) cratering retail sales; 5) a rash of retail store closings; 6) imploding gasoline usage; 7) plunging restaurant sales; 8) 25% of student loans (i.e., $500 billion) in default; 9) the largest stock market bubble in history; 10) a real estate bubble that exceeds that of 2008; 11) total government debt of $20 trillion – 106% of GDP (the highest in history); 12) 94 million Americans out of the work force, with real world unemployment of 23%; and much more – are all serious red flags that are being ignored by the great majority of Americans, including avid Trump supporters.

Spending at department stores is plunging, and not just because of Internet on-line shopping. JC Penny is closing 130-140 stores this year – cutting 6,000 employees; Staples is closing 70 stores after closing 48 last year; Family Christian Stores (the 85-year-old chain, the largest in America selling Christian-related items) has declared bankruptcy and is closing all 240 stores – cutting over 3,000 work-
ers; and Sears is closing 150 stores (dropping from 3,555 stores in 2010 to 1,350 with these new closures). Today, you can go into many large shopping centers across America (or into many large department stores) and fire a cannon and not hit anyone. The exact opposite is true in Asian malls and department stores – which are packed to capacity. Knowledgeable estimates are that 30% of US shopping malls will close down over the next five years. REITS (Real Estate Investment Trusts) are the next big candidate for shorting in the stock market.

Today the stock market (S&P 500) PE Ratio is at 26.5 times earnings. There have been two times when the PE ratio has gotten that high in the past century: the 2000 dot-com bust and the 2008 crash. The Cyclically Adjusted S&P 500 PE Ratio (which smooths out earnings over a 10-year period) has been this high only two times in history – before the 2000 dot-com bust and just before the 1929 crash and Great Depression that followed. Corporate insiders know that something is up – their buying of their own companies’ shares is the lowest in 30 years. While the great majority of investors know no fear and are more bullish than ever (in the most overpriced stock market bubble in US history), knowledgeable maverick (or contrarian) investors are getting out of the market, perhaps ready to short the market, and the real mavericks are getting out of the banks, getting liquid, and buying physical gold and silver – where the investor interest is presently very low. (See the article in Part II below by Doug Noland on the real state of the economy and markets.)

When the economy and financial markets hit the wall – probably sooner than later (or when the Establishment pulls the plug on same) – President Trump will get the blame for it all – even though it has been years (decades) in the making, and will not be his fault. This issue of MIA will examine the continuing growth of the American police state, the prognosis for the economy and financial system, and the coming winds of war. It is no time for complacency – the crises analyzed each month in MIA are about to turn really ugly – and maybe much sooner than you think. Are you prepared for them?

I. THE ILLUSION OF FREEDOM: THE POLICE STATE IS STILL WINNING – THE PEOPLE ARE STILL LOSING

INTRODUCTION

The old French proverb says: “The more it changes, the more it remains the same.” At present, that is our continuing reality today – even under a Trump government. Sadly, in spite of the illusion of freedom and the unbridled optimism on the part of millions of Trump supporters, the expansion of the freedom-destroying American police state is continuing unabated. Perhaps this will change if Trump can (or will) get rid of tens of thousands of Obama appointees, leftists, and globalist neocons who still occupy every nook and cranny of the government bureaucracy (including our intelligence agencies); if he will stop appointing globalist and neocons to key positions in his administration; and if he will fulfill his campaign promises. But at present, it does not look like it is going to change – it looks like it will continue to grow worse.

The parallels today between America and 1930s Nazi Germany are ominous. And as John Whitehead (director of the Rutherford Institute) points out in the following article, most Americans today (like their German counterparts of the 1930s), have no idea that they are no longer a free people. Historian Milton Mayer, wrote in his book: “They Thought They Were Free: The Germans, 1933-45”:

“What happened here was the gradual habituation of the people, little by little, to being governed by surprise; to receiving decisions deliberated in secret; to believing that the situation was so complicated that the government had to act on information which the people could not understand, or so dangerous that, even if the people could understand it, it could not be released because of national security.... This separation of government from people, this widening of the gap, took place so gradually and so subtly, each step disguised as a temporary emergency measure or associated with true patriotic allegiance or with real social purposes, that the people never understood what was happening to
them.... And all the crises and reforms so occupied the people that they did not see the slow motion underneath, of the whole process of government growing remoter and remoter.”

Brace yourself. There is something being concocted in the dens of power, far beyond the public eye, and it doesn’t bode well for the future of this country. **Anytime** you have an entire nation so mesmerized by the antics of the political ruling class that they are oblivious to all else, you’d better beware. **Anytime** you have a government that operates in the shadows, speaks in a language of force, and rules by fiat, you’d better beware. And **anytime** you have a government so far removed from its people as to ensure that they are never seen (i.e., an invisible government, or Deep State), heard or heeded by those elected to represent them, you’d better beware.

**A. WE THINK WE ARE FREE**

The world has been down this road before. As Mayer recounts in his seminal book, “Most of us did not want to think about fundamental things and never had. There was no need to. Nazism gave us some dreadful, fundamental things to think about – we were decent people – and kept us so busy with continuous changes and ‘crises,’ and so fascinated, yes, fascinated, by the machinations of the ‘national enemies,’ without and within, that we had no time to think about these dreadful things that were growing, little by little, all around us.”

We are at our most vulnerable right now. The gravest threat facing us as a nation is not extremism – delivered by way of sovereign citizens or radicalized Muslims – but despotism, exercised by a ruling class whose only allegiance is to power and money.

1. **GULLIBLE AMERICANS CANNOT SEE THE REALITY OF OUR DEMISE** – America is burning, and all most Americans can do is switch the channel, tune out what they don’t want to hear, and tune into their own personal echo chambers. **We’re in a national state of denial.** Yet no amount of escapism can shield us from the harsh reality that the danger in our midst is posed by an entrenched government bureaucracy that has no regard for the Constitution, Congress, the courts, or the citizenry. And it does not change as we change parties in Washington. As the team colors have changed from blue to red over the past 60 years, that’s just cosmetic. The playbook remains the same. The leopard has not changed its spots.

Scrape off the surface layers and you will find that the American police state is alive and well and continuing to wreak havoc on the rights of the American people. “We the people” are no longer living the American Dream. We’re living the American Lie. Indeed, Americans have been lied to so persuasively, so incessantly, and for so long by politicians of all stripes – who lie compulsively and without any seeming remorse – that they’ve almost come to prefer the lies trotted out by those in government over less-palatable truths.

2. **THE AMERICAN PEOPLE HAVE BECOME COMPULSIVE BELIEVERS** – As Nick Cohen writes for the Guardian, “Compulsive liars shouldn’t frighten you. They can harm no one if no one listens to them. Compulsive believers, on the other hand: they should terrify you. Believers are the liars’ enablers. Their votes give the demagogue his power. Their trust turns the charlatan into the president. Their credulity ensures that the propaganda of half-calculating and half-mad fanatics has the power to change the world.” And they make up half (or probably much more) of the American populace.

While telling the truth “in a time of universal deceit is,” as George Orwell concluded, “a revolutionary act,” believing the truth – and being able to distinguish the truth from a lie – is also a revolutionary act. Here’s a truth few Americans want to acknowledge: nothing has changed (at least, not for the better) since Barack Obama passed the reins of the police state to Donald Trump. The police state is still winning. We the people are still losing. In fact, the American police state has continued to advance at the same costly, intrusive, privacy-sapping, Constitution-defying, relentless pace under President Trump as it did under President Obama. And if you listen to Trump “law and order” appointees, this is all about to accelerate dramatically.

3. **THE MORE IT CHANGES, THE MORE IT REMAINS THE SAME** – Police haven’t
stopped disregarding the rights of citizens. Having been given the green light to probe, poke, pinch, taser, search, seize, strip, shoot, and generally manhandle anyone they see fit in almost any circumstance, all with the general blessing of the courts, America’s law enforcement officials are no longer mere servants of the people entrusted with keeping the peace. Indeed, they continue to keep the masses corralled, under control, and treated like suspects and enemies rather than citizens.

SWAT teams haven’t stopped crashing through doors and terrorizing families. Nationwide, SWAT teams continue to be employed to address an astonishingly trivial array of criminal activities or mere community nuisances, including angry dogs, domestic disputes, improper paperwork filed by an orchid farmer, and misdemeanor marijuana possession. With more than 80,000 SWAT team raids carried out every year on unsuspecting Americans for relatively routine police matters and federal agencies laying claim to their own law enforcement divisions, the incidence of botched raids and related casualties continue to rise.

The Pentagon and the Department of Homeland Security haven’t stopped militarizing and federalizing local police. Police forces continue to be transformed into heavily armed extensions of the military, complete with jackboots, helmets, shields, batons, pepper-spray, stun guns, assault rifles, body armor, miniature tanks, and weaponized drones. In training police to look and act like the military and use the weapons and tactics of war against American citizens, the government continues to turn the United States into a battlefield.

4. SCHOOLS TREATING YOUNG PEOPLE LIKE HARD-CORE PRISONERS – School districts continue to team up with law enforcement to create a “schoolhouse to jailhouse track” by imposing a “double dose” of punishment for childish infractions: suspension or expulsion from school, accompanied by an arrest by the police and a trip to juvenile court. In this way, the paradigm of abject compliance to the state continues to be taught by example in the schools, through school lockdowns where police and drug-sniffing dogs enter the classroom, and zero tolerance policies that punish all offenses equally and result in young people being expelled for childish behavior.

5. FOR-PROFIT PRISONS – haven’t stopped locking up Americans and immigrants alike at taxpayer expense. States continue to outsource prison management to private corporations out to make a profit at taxpayer expense. And how do you make a profit in the prison industry? Have the legislatures pass laws that impose harsh penalties for the slightest noncompliance in order keep the prison cells full and corporate investors happy.

6. CENSORSHIP HAS NOT STOPPED – First Amendment activities continue to be pummeled, punched, kicked, choked, chained, and generally gagged all across the country. The reasons for such censorship vary widely from political correctness, safety concerns, and bullying to national security and hate crimes (i.e., speaking out against gays/lesbians/transgenders), but the end result remains the same: the complete eradication of what Benjamin Franklin referred to as the “principal pillar of a free government” – free speech.

7. THE COURTS HAVE NOT STOPPED MARCHING IN LOCKSTEP WITH THE POLICE STATE – The courts continue to be dominated by technicians and statists who are deferential to authority, whether government or business. Indeed, the Supreme Court’s decisions in recent years have most often been characterized by an abject deference to government authority, military, and corporate interests. They have run the gamut from suppressing free speech activities and justifying suspicionless strip searches to warrantless home invasions and conferring constitutional rights on corporations while denying them to citizens.

8. EACH OF US IS NOW A CRIMINAL – Government bureaucrats haven’t stopped turning American citizens into criminals. The average American now unknowingly commits three felonies a day, thanks to an overabundance of vague laws, rules, and regulations that render otherwise innocent activity illegal, while reinforcing the power of the police state and its corporate allies.

9. THE SURVEILLANCE STATE HAS NOT STOPPED SPYING ON AMERICANS’ COM-
MUNICATIONS, TRANSACTIONS, OR MOVEMENTS – On any given day, whether you’re walking through a store, driving your car, checking email, or talking to friends and family on your smartphone, you can be sure that some government agency, whether it’s your local police, a fusion center, the National Security Agency, the CIA, or one of the government’s many corporate partners, is still monitoring and tracking you.

10. TSA POWERS ARE GROWING – The TSA hasn’t stopped groping or ogling travelers. Under the pretext of protecting the nation’s infrastructure (roads, mass transit systems, water and power supplies, telecommunications systems, and so on) against criminal or terrorist attacks, TSA task forces (comprised of federal air marshals, surface transportation security inspectors, transportation security officers, behavior detection officers, and explosive detection canine teams) continue to do random security sweeps of nexuses of transportation, including ports, railway and bus stations, airports, ferries and subways, as well as political conventions, baseball games, and music concerts. Sweep tactics include the use of X-ray technology, pat-downs, and drug-sniffing dogs, among other things.

11. THE CONGRESS CONTINUES TO ENACT PEOPLE CONTROL LAWS – Congress hasn’t stopped enacting draconian laws similar to the USA Patriot Act and the NDAA. These laws – which completely circumvent the rule of law and the constitutional rights of American citizens, continue to reorient our legal landscape in such a way as to ensure that martial law rather than the rule of law or of our US Constitution will dominate the United States.

12. DEPARTMENT OF HOMELAND SECURITY POWERS CONTINUE TO RAPIDLY EXPAND – The DHS hasn’t stopped being a wasteful, growing, freedom-destroying police state force comparable to the feared Nazi Gestapo. Is the DHS capable of plotting and planning to turn the national guard into a federalized immigration police force? No doubt about it. This is the agency that is notorious for militarizing the police and SWAT teams; spying on activists, dissidents, and veterans; stockpiling over two billion rounds of ammunition; distributing license plate readers; contracting to build detention camps; tracking cell phones with Stingray devices; carrying out military drills and lockdowns in American cities; using the TSA as an advance guard; conducting virtual strip searches with full-body scanners; carrying out soft target checkpoints; directing government workers to spy on Americans; conducting widespread spying networks using fusion centers; funding citywide surveillance cameras; and utilizing drones and other spybots.

13. THE MILITARY INDUSTRIAL COMPLEX (AND ITS NEOCON SPONSORS) CONTINUE TO PROMOTE WAR – The military industrial complex hasn’t stopped profiting from endless wars abroad. America’s expanding military empire continues to bleed the country dry at a rate of more than $15 billion a month (or $20 million an hour). The Pentagon spends more on war than all 50 states combined spend on health, education, welfare, and safety. Yet what most Americans fail to recognize is that these ongoing wars (over a half dozen currently) have little to do with keeping the country safe and everything to do with enriching the military industrial complex at taxpayer expense.

14. THE DEEP STATE’S SHADOW GOVERNMENT IS STILL CALLING THE SHOTS FROM BEHIND THE SCENES – Comprised of unelected government bureaucrats, corporations, contractors, paper-pushers, and button-pushers (and the globalist establishment that controls them) this shadow government continues to run America. It controls a government that is no longer friendly to freedom and is working overtime to trample the Constitution underfoot and render the citizenry powerless in the face of the government’s power grabs, corruption, and abusive tactics.

B. ARE THE AMERICAN PEOPLE A NATION OF GULLIBLE SHEEP?

Many Americans have been so carried away by their blind rank-and-file partisan devotion to their respective political gods that they have lost sight of the one thing that has remained constant in recent years: our freedoms are steadily declining. Here’s the problem: “we the people” have become so trusting, so gullible, so easily distracted, so out-of-touch,
and so sure that our government will always do the right thing by us that we have ignored the warning signs all around us.

Unfortunately, once a free people allows the government to make inroads into their freedoms or uses those same freedoms as bargaining chips for security, it quickly becomes a slippery slope to outright tyranny. And it doesn’t really matter whether it’s a Democrat or a Republican at the helm, because the bureaucratic mindset on both sides of the aisle now seems to embody the same philosophy of authoritarian government.

As I make clear in my book “Battlefield America: The War on the American People,” this is what happens when you ignore the warning signs. This is what happens when you fail to take alarm at the first attack on your liberties. This is what happens when you fail to challenge injustice and government overreach until the prison doors clang shut behind you. In the American police state that now surrounds us, there are no longer such things as innocence, due process, or justice – at least, not in the way we once knew them. We are all potentially guilty, all potential criminals, all suspects waiting to be accused of a crime.

So you can try to persuade yourself that you are free, that you still live in a country that values freedom, and that it is not too late to make America great again, but to anyone who has been paying attention to America’s decline over the past 50 years, it will be just another lie. The German people chose to ignore the truth and believe the lie. They were not oblivious to the horrors taking place around them. As historian Robert Gellately points out, “[A]nyone in Nazi Germany who wanted to find out about the Gestapo, the concentration camps, and the campaigns of discrimination and persecutions needed only read the newspapers.”

The warning signs were definitely there, blinking incessantly like large neon signs. “Still,” Gellately writes, “the vast majority voted in favor of Nazism in spite of what they could read in the press and hear by word of mouth about the secret police, the concentration camps, official anti-Semitism, and so on.... [T]here is no getting away from the fact that at that moment, ‘the vast majority of the German people backed him.’” Half a century later, the wife of a prominent German historian, neither of whom were members of the Nazi party, opined: “[O]n the whole, everyone felt well.... And there were certainly eighty percent who lived productively and positively throughout the time.... We also had good years. We had wonderful years.”

In other words, as long as their creature comforts remained undiminished, as long as their bank accounts remained flush, as long as they weren’t being discriminated against, persecuted, starved, beaten, shot, stripped, jailed, and turned into slave labor, life was good. This is how tyranny rises and freedom falls. As Primo Levi, a Holocaust survivor observed, “Monsters exist, but they are too few in number to be truly dangerous. More dangerous are the common men, the functionaries ready to believe and to act without asking questions.”

CONCLUSION

Freedom demands responsibility. Freedom demands that people stop sleep-walking through life, stop cocooning themselves in political fantasies, and stop distracting themselves with escapist entertainment. Freedom demands that we stop thinking as Democrats and Republicans and start thinking like human beings, or at the very least Americans. Freedom demands that we not remain silent in the face of evil or wrongdoing but actively stand against injustice. Freedom demands that we treat others as we would have them treat us. That is the law of reciprocity, also referred to as the Golden Rule, and it is found in nearly every world religion, including Judaism and Christianity.

In other words, if you don’t want to be locked up in a prison cell or a detention camp – if you don’t want to be discriminated against because of the color of your race, religion, politics or anything else that sets you apart from the rest – if you don’t want your loved ones shot at, strip searched, tasered, beaten and treated like slaves – if you don’t want to have to be constantly on guard against government eyes watching what you do, where you go, and what you say – if you don’t want to be tortured, waterboarded, or forced to perform degrading acts – if you don’t want
your children to grow up in a world without freedom – then don’t allow these evils to be inflicted on anyone else, no matter how tempting the reason or how fervently you believe in your cause.

As German Christian and anti-Nazi dissident Dietrich Bonhoeffer observed, “We are not to simply bandage the wounds of victims beneath the wheels of injustice, we are to drive a spoke into the wheel itself.”

II. UNDERSTANDING (AND SURVIVING) THE COMING GLOBAL FINANCIAL COLLAPSE

INTRODUCTION

MIA has long written about the coming financial debacle that will be the result of today’s out-of-control banking system (US and global) and insane government spending and central bank printing press addiction. It was obvious to those with eyes to see in the run-up to the dot-com bubble of the late 1990s (and ultimate collapse in 2000); it was obvious in the run-up to the credit default debacle of 2007/2008; and it is equally obvious today except that the coming financial upheaval is likely to be ten times greater than the last two financial debacles.

Others have written and warned about the coming financial meltdown (which admittedly is very complicated), but no one has done it better than Doug Noland, former portfolio manager with the Prudent Bear Funds and editor of the Credit Bubble Bulletin. Doug expands on his view of today’s financial situation in the article that follows, concluding that we are headed in the not-too-distant future for the financial train wreck of the century – maybe the worst financial crisis in modern history:

We live in a unique period in economic history. Over recent decades, global finance has operated essentially without restraints on either the quantity or quality of new credit. There is no historical parallel to the present day global explosion in private-sector borrowings, government indebtedness, and central bank credit; nothing comparable to recent runaway financial excess – the most blatant examples being in central banking and Chinese credit.

Historically, money and credit were often disciplined by precious metals standards or otherwise by formal and informal monetary arrangements (such as Bretton Woods and the “dollar standard”). Moreover, monetary expansions traditionally were dominated by bank lending, with bank credit constrained by capital and reserve requirements. In general, and most importantly, financial and economic stability were advanced by the high regard held for sound money principles.

Times have changed. Central banks today create trillions of currency units in new “money” on a whim. Governments issue seemingly limitless debt at near zero – or even negative – interest rates. Quasi-governmental entities pay only slightly more than sovereigns. These most notably include US government-sponsored enterprises (GSEs), with $8 trillion of outstanding securities, and the now massive state-directed Chinese banks. Meanwhile, non-bank “shadow” finance has taken the world by storm. This is best illustrated by China’s explosive growth in shadow banking (credit creation by unregulated institutions) that is estimated to be as much as $10 trillion.

The mess goes far beyond a lack of mechanisms to hold finance in check. Incredibly, those responsible for overseeing finance will now do “whatever it takes” to ensure that runaway monetary inflation runs unabated. We are convinced that unfettered “money” and credit creation not only doesn’t work, but sets us up for catastrophe. Indeed, unprecedented monetary inflation, coupled with the most extreme “activist” central banking imaginable, has for a long time now fueled serial bubbles – each bigger and more dangerous than the last.

Our analytical framework suggests that we’re in the final stages of a historic multi-decade global credit bubble. It’s a world beset by unprecedented market bubbles, intractable imbalances, and deep structural economic maladjustment. The out-of-control (borderline insane) global financial structure is both unsound and unsustainable. Yet instead of fear and trepidation, market sentiment has recently
The Benefits of Storage

Precious metals represent a safe haven for investment portfolios in uncertain times. They safeguard against reckless economic policies and an ever devaluing currency. With the purchase of gold and silver comes an important question: Where do I store my precious metals?

The temporary use of a safe deposit box can be very convenient but there may arise a scenario where access to your metals could be limited or restricted. You also have to be concerned with insurance. Vault storage should be considered. Not only can your metals be securely stored, but they can be fully insured as well. ICA’s programs are simple, convenient and quite unique. We have taken the guess work and uncertainty out of this decision for our clients. Investors have several options for securely storing their precious metals domestically or internationally.

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turned the most bullish since the months preceding the 1987 crash. Speculative money has been flooding into stock market index products. **2017 (like 2000 – think dot-com bubble – and 2007/2008 – think credit mortgage derivatives bubble) may be the year when these bubbles begin to implode all over the world.**

A. MAKING SENSE OF THE NEW RULES OF ECONOMICS AND FINANCE

This year marks for me [Doug Noland] a 30-year love affair with macro analysis. In 1987, I watched “Black Monday” unfold from a Telerate screen on a fixed-income trading desk at Toyota’s US headquarters in California. Market yields had been spiking; currency markets were trading chaotically. Then a speculative equities bubble ended in a spectacular crash. I recall fears that a one-day 23% collapse was a harbinger of depression. Within Toyota, the Japanese bubble was another cause for worry.

Responding to the crash, the new Fed chairman, Alan Greenspan, assured the markets – and the world – that the Federal Reserve would ensure market and system liquidity. Equities recovered quickly. Instead of bursting, bubbles gathered powerful momentum in the US, Japan, and elsewhere. It sounds silly now, yet post-crash excesses solidified the '80s as “the decade of greed.” In Japan, terminal-phase bubble lunacy engendered financial and economic maladjustment that still haunts their system three decades later. In hindsight, seeds for today’s “global government finance bubble” were planted with Alan Greenspan’s unleashing of bubble dynamics back in 1987.

I began posting the Credit Bubble Bulletin in 1999 at prudentbear.com. The title was inspired by Benjamin Anderson’s Economic Bulletin, a wonderful chronicle of “Roaring ’20s” economic and market developments. By the late ’90s, there was no doubt that a historic credit bubble had taken hold. I had left Toyota to complete my MBA studies, and in 1990 landed a position with a bearish hedge fund manager in San Francisco. After a great year, the markets turned against us. The ’90s were a tough but invaluable experience. My passion morphed into obsession: I had to understand the forces that had transformed early-’90s recession and banking system impairment into some “new era” of prosperity.

B. UNDERSTANDING THE GREAT BUBBLE ECONOMY

Between 1990 and 1992, Greenspan collapsed rates 525 bps to only 3.0%, orchestrating a steep yield curve in order to recapitalize the banking system. The Fed’s cultivation of “borrow cheap and lend dear” proved a godsend to the fledgling hedge fund industry. By 1992, a speculative bubble had taken over the bond market. Then Greenspan finally reversed course and bumped up rates 25 bps in February 1994. It was a seminal period for the credit bubble. The bond bubble burst, with deleveraging unleashing illiquidity, spiking yields, and causing hedge fund failures and dislocation throughout the burgeoning market for sophisticated mortgage derivatives. Related deleveraging of Mexican debt instruments spurred a peso collapse and the painful “tequila crisis.”

As an analyst of market and credit bubbles, aspects of 1994 unfolded as I had anticipated. Yet equities and the US economy were surprisingly immune to bond market dislocation. This mystery was soon resolved. The GSEs had expanded their holdings during 1994 by an unprecedented $150 billion. In the face of hedge fund liquidations and resulting market illiquidity, Fannie, Freddie, and the FHLB became powerful “buyers of last resort.” They were operating as quasi-central banks, a role they would execute even more dominantly from 1998 to 2002.

I watched in disbelief in 1996 as the combination of the GSEs’ market heroics and Washington’s Mexico bailout ensured a rapidly swelling pool of speculative “hot money” that would add to “Asian Tiger” bubbles. Memories have faded after 20 years, but the 1997 collapses in Thailand, Indonesia, Malaysia, and South Korea were horrendous. They offered important lessons for those who were paying attention. Most Americans weren’t, but they would find out years later that the costs associated with resuscitating bubbles are extremely high.
Meanwhile, here at home, bubble dynamics took firm control. Greenspan’s December 1996 “irrational exuberance” speech stifled speculation for about one session. The rapid growth of securitization, speculative leverage, derivatives, and “Wall Street finance” more generally – all promoted by activist (irresponsible) central bankers – had created a new era of over-liquefied and highly speculative securities markets.

Disregarding signs that Russia would be the next emerging market domino to fall, US equities inflated to new highs in the summer of 1998. The market mantra at the time was that, “the West will never allow Russia to collapse.” After gaining 23% through mid-July, US bank stocks reversed course and sank 36% into October, at the nadir of the Russian and Long-Term Capital Management (LTCM) debacles.

LTCM, with its Nobel laureates, extreme leverage, trillion-dollar derivatives portfolio, and speculative holdings spanning the globe, should have provided an emphatic wakeup call to US and global central bankers. Instead, the Fed orchestrated another bailout, as Washington marshaled forces behind “the committee to save the world.” It was fuel for the fire. After trading as low as 959 in October, the S&P 500 closed 1998 at 1,229 – on its way to ending the ‘90s at 1,469. Tech stocks burned even hotter. The NASDAQ Composite gained 54% in the final two and one-half months of 1998 – and then surged 86% in 1999.

C. BUILDING A WORLD ECONOMY ON BUBBLES

All that was a fertile backdrop for beginning a weekly chronicle of history’s greatest bubble. Actually, my assumption was that “bubble” would be in the title only temporarily. I simply never imagined what was to unfold or that we would be following momentous bubble developments all the way into 2017.

Indeed, we thought the bubble had burst in 2000. For years, the Fed had ignored the far-reaching ramifications of the evolution of securitizations and non-bank finance – along with the proliferation of leveraged speculation and derivatives. They had disregarded the profound market distortions that emanated from their efforts to dictate interest rates and manipulate market behavior. Our central bank had repeatedly ignored the evidence of how their “activist” policy approach had incentivized destabilizing speculation and promoted asset price inflation and bubbles. Finally, with the tech and Internet bubble collapses, the Federal Reserve could no longer disregard risks inherent to the new financial and policy landscapes – at least that’s what we thought.

However, Ben Bernanke arrived at the Federal Reserve from academia in 2002 with a positive hypothesis for “helicopter money” and the “government printing press.” We took strong exception to his radical monetary framework, at the time not appreciating that he’d been summoned to Washington specifically because he possessed the credentials to champion a radical experiment in inflationary policy. By 2002, mortgage credit was already expanding at double-digit rates. The Fed’s “asymmetrical” approach to bolstering markets, coupled with the GSE liquidity backstop, ensured that the hedge funds were keen to leverage mortgage-backed securities. Indeed, strong inflationary biases had emerged throughout mortgage finance and housing. That year, discerning that mortgage credit was the centerpiece of the Fed’s latestflationary strategy, we began warning of a “mortgage finance bubble.”

Outstanding mortgage credit doubled in about six years, providing powerful inflationary fuel for housing, the securities markets, and the economy. My writings throughout this period often highlighted two analytical concepts: the “alchemy of Wall Street finance” and the “moneyness of credit.” Through GSE guarantees, securitizations, and derivatives, high-risk mortgage credit was transformed into endless “AAA” securities. Moreover, the “perception” that these securities were safe and liquid (money-like) ensured that they enjoyed insatiable market demand. Think of it this way: A boom in junk bonds wouldn’t get too carried away before confronting waning market demand. On the other hand, a bubble in top-rated US mortgage debt can inflate for years, imparting severe structural impairment and turning deeply systemic. That’s
exactly what it did, and that cycle’s mantra was, “Washington will never allow a housing bust.”

After believing the credit bubble had finally met its end in 2008, we warned in April 2009 about a “global government finance bubble.” It had become apparent that a new concerted experimental phase had begun: worldwide system reflation fueled by unlimited government debt and central bank credit – at state-controlled zero short rates. The genie was completely out of the bottle.

Worse yet, Bernanke’s reflationary policies specifically targeted higher securities prices, with zero rates to seduce savers into equities and corporate debt. The perception grew that central bankers would tolerate neither bear markets nor recessions. To our list of concepts, we added “the money-ness of risk assets.” With the Federal Reserve ensuring rising prices and abundant market liquidity, why not abandon deposits for ETFs and index funds? In China, officials adopted US-style reflationary policies that put helicopter Ben’s to shame.

Things just got away from them – from the Fed, from global central bankers, and from Beijing. Here at home, the Federal Reserve in 2011 formulated a comprehensive (but bogus) strategy for exiting extraordinary policy measures, including returning its $2.2 trillion balance sheet to pre-crisis dimensions. Quite skeptical, we titled a Credit Bubble Bulletin “No Exit.” And true to form, the Fed went on to quickly double holdings to $4.5 trillion.

D. LEARNING THE NEW RULES

It has not been all smooth sailing. Markets have suffered numerous “flash crashes,” episodes that illuminate lurking illiquidity. The global financial system was at the brink again in the summer of 2012. Aversion to Italian and Spanish debt risked a crisis of confidence in the European banking system and for euro monetary integration more generally. Global central bankers rallied behind Mario Draghi’s “whatever it takes” commitment with “QE to infinity.” Markets launched a rally for the record books.

That round of out-of-control monetary stimulus eventually ran its course. The Chinese banking system had quadrupled since 2008 to almost double the size of America’s. Timid efforts to rein

in their real estate bubble worked mainly to broaden speculative excess to stocks and bonds. The whole thing began tumbling down in late-2015, risking shocks to both vulnerable markets and a highly imbalanced global economy. Chinese officials responded with a series of extreme measures. The Bank of Japan and the European Central Bank ratcheted up QE, while the Fed put rate normalization on hold.

Fears of a deflationary Chinese bust, coupled with about $2 trillion annual global QE, provided rocket fuel for a bond market speculative blow-off. Sovereign yields collapsed around the globe, with trillions of bonds trading at never-thought-possible negative yields. In the US, stock prices blew through all-time highs. But a funny thing happened. Instead of a bursting bubble, China posted record credit growth approaching an astonishing $3 trillion. Rather than deflationary shock, Chinese reflation spurred a dramatic turnabout in inflationary pressures globally. Meanwhile, festering anti-establishment and anti-globalization sentiment attained sufficient critical mass for “Brexit” and a Trump presidency.

Over-liquefied markets, spurred on by the promise of US tax reform, deregulation, and fiscal stimulus, saw equities succumb to melt-up dynamics. It’s both a fitting and a distressing late-stage bubble development. With the hedge fund industry at $3.0 trillion and ETF assets surpassing $3.2 trillion, the world has never experienced such an enormous pool of trend-following speculative finance. It’s also worth noting that the ratio of US total debt and equity securities to GDP today exceeds peak levels from 1999 and 2007. Another favorite indicator, household net worth to GDP, has also surged to all-time highs.

CONCLUSION

In the final analysis, credit bubbles are mechanisms of wealth redistribution and destruction. Today we are faced with the concurrent crises of the coming collapse of the biggest financial bubble in world history and huge global geopolitical upheaval. An ominous part of that looming crisis will be the reverberations of a collapse of the monster Chi-
nese bubble and the potential for conflict with Russia and China – happening concurrently. Markets in recent months have been optimistic regarding the Trump presidency, but the population is less sanguine. The harsh reality is that our country is deeply divided, and will surely become even more so. We are convinced that we are in the final stage of the greatest bubble in history. The bubble that emerged in US finance has now engulfed the entire world. The bubble that began in US corporate and mortgage credit has now made its way to the very foundation of contemporary “money” – government debt and central bank credit – on a global basis.

For 30 years now, we have witnessed repeated booms and busts that have triggered ever-more-dubious central bank reflationary measures, resulting in even more gargantuan bubbles. Now we’re nearing the end of the line – zero and negative rates and trillions of QE. What comes next? When public confidence in central banking wanes; when the soundness of government debt and central bank credit become widely suspect; when the stability of the Chinese economy with its 1.4 billion population is no longer reality – we see a global financial crisis of epic proportions exploding on the scene.

We should ponder Adam Fergusson’s master-piece, When Money Dies: The Nightmare of Deficit Spending, Devaluation, and Hyperinflation in Weimar, Germany. Incredibly, throughout the entire inflation fiasco, the Reichsbank saw its printing operations as a necessary response to outside forces. Akin to contemporary central bankers, its leaders remained somehow oblivious to the reality that unchecked money creation was the root cause of financial, economic, social, and geopolitical derangement. While reading the history from the late-1920s period, we recall pondering Irving Fisher’s “permanent plateau of prosperity” comment just weeks prior to the 1929 crash. How could one of America’s most celebrated economists have been so wrong – and everyone so unprepared? Today, we have an ominous sense of déjà vu that this is all happening again – only on an infinitely larger global scale.

[ED. NOTE: Doug Noland is an incredibly gifted and insightful financial analyst and forecaster, and is a former asset manager of the Prudent Bear Funds. As the longtime writer of the Credit Bubble Bulletin, Noland is one of the most knowledgeable persons in this area that I know. He understands the looming US and global financial/economic crises. He has recently linked up with McAlvany Wealth Management, where he will manage a very timely new investment vehicle – MWM Tactical Short Strategies. The objective is to profit from the downside of stocks, sectors, various asset classes, and the overall market upheaval in coming months and years.

Along with the essentiality of owning precious metals in the unstable period that lies ahead, intelligent management of the remainder of a person’s portfolio by someone who understands the times and sees where they are headed, we believe, is very important. Teaming up with David McAlvany, Doug Noland helps bring to the table a new dimension in risk management for the very unstable period that lies immediately ahead. If protecting (and growing) your wealth or life savings in the coming period of financial/economic turbulence is important to you, you may want to check out the website at mwealthm.com/tacticalshort/. Doing nothing and simply hoping for the best (or even worse – trusting Wall Street, the government, and the Fed) in the months to come is a very poor option.]

III. THE WINDS OF WAR

“The great danger for the US is that while no single American or group of Americans may actually want a nuclear war with Russia and China, some small accident may rapidly scale into outright world war. In the past, Russia suffered the loss of tens of millions of its population because it patiently waited for its enemy to attack. Russia learned a very painful lesson by being patient. If war appears to be the definite plan on the part of the US, it is possible that Russia may strike the US first. This is where we are today.” Hugo Salinas Price (Mexican Economist and Writer) – 3/7/17

INTRODUCTION

This writer has been concerned for some time that the powers-that-be (i.e., the globalist Estab-
lishment that controls both US political parties, the media, and most US institutions and power centers) want to push America and the entire world into a major war (i.e., World War III). They see the erosion of their power and influence via Brexit, the Trump upset, and the coming financial collapse, and they believe that they can retain their power in the context of a major war and also advance their agenda for a one world government. Had their presidential choice of Hillary Clinton been elected, a major war (probably in 2017) was virtually guaranteed.

But it now seems that with the very strong neocon/Establishment influence inside the Trump administration the trajectory towards a major war with Russia, China, North Korea, Iran – or all of the above – is still drawing ominously closer. Instead of negotiations and rapprochement with Russia and China, the Trump administration is escalating its confrontational rhetoric and moving more troops, weapons, missiles, and warships close to Russian and Chinese territory, and into the Middle East. At this point, it appears that American foreign policy is hell-bent on challenging Russia and China to a duel – a duel that could ultimately be fought with nuclear weapons. Rhetoric and troop/weapon movements on all sides are escalating sharply at this writing. As the title to this issue says (quoting the old French Proverb), “The more it changes, the more it remains the same.”

In Summary: Iran just conducted another provocative missile test; more US troops are being sent to the Middle East; it was just announced that the US military will be sending B-1 and B-52 bombers to South Korea in response to North Korea firing four missiles into the seas near Japan; and China is absolutely livid that a US carrier group just sailed through contested waters in the South China Sea. American and NATO forces are moving into Poland and closer to the Russian border, while increasing their deployment of missiles. Russia (which is currently deploying new nuclear submarines and a new generation of sub-launched nuclear supersonic cruise missiles) is responding with more nuclear missile submarines off of the US East and West coasts and in the Gulf of Mexico. How do you spell “p-r-o-v-o-c-a-t-i-o-n” and “e-s-c-a-l-a-t-i-o-n”?

Michael Snyder recently summarized these concerns: We have entered a season where leaders all over the globe (think Russian, Chinese, and American) feel a need to rattle their sabers, and many fear that this could be leading us to war. In particular, Donald Trump is going to be under the microscope in the days ahead as other world leaders test his resolve. Will Trump be able to show that he is tough without going over the edge and starting an actual conflict?

A. THE GROWING CONFLICT IN THE MIDDLE EAST

The Iranians made global headlines in early March when they conducted yet another ballistic missile test despite being warned by Trump on numerous occasions. As tensions between the US and Iran continue to mount, the semi-official news agency Tasnim is reporting that Iran’s Revolutionary Guard has successfully conducted yet another ballistic missile test, this time from a navy vessel. Called the Hormuz 2, these latest missiles are designed to destroy moving targets at sea at ranges up to 300 km (180 miles).

Reports on the latest test quotes Amir Ali Hajizadeh, commander of the IRGC’s Aerospace Force, who confirmed that, “the naval ballistic missile called Hormuz 2 successfully destroyed a target which was 250 km away.” The missile test is the latest event in a long-running rivalry between Iran and the United States in and around the Strait of Hormuz, which guards the entrance to the Gulf. About 20% of the world’s oil passes through the waterway, which is less than 40 km wide at its narrowest point.

So how will Trump respond to this provocation? Will he escalate the situation? If he does nothing he will look weak, but if he goes too far he could risk open conflict. Elsewhere in the Middle East, things are already escalating. It is being reported that “several hundred Marines” are on the ground in Syria to support an assault on the city of Raqqa, and another 1,000 troops could be sent to Kuwait, ostensibly to join the fight against ISIS. [ED. NOTE: We
can hope that the US has now, under Trump, finally stopped financing, arming, training, and supplying ISIS – which was the evil creation of the Obama Administration and its intelligence agencies.] The following comes from Zero Hedge:

“While the Trump administration waits to decide if it will send 1,000 troops to Kuwait to fight ISIS, overnight the Washington Post reported that the US has sent several hundred Marines to Syria to support an allied local force aiming to capture the Islamic State stronghold of Raqqa. Defense officials said they would establish an outpost from which they could fire artillery at IS positions some 32 km (20 miles) away. US special forces are already on the ground, ‘advising’ the Kurdish-led Syrian Democratic Forces (SDF) alliance according to the BBC.

“The defense officials told the Washington Post that the Marines were from the San Diego-based 11th Marine Expeditionary Unit, and that they have flown to northern Syria via Djibouti and Kuwait. They are to set up an artillery battery that could fire powerful 155mm shells from M777 howitzers, the officials said. Another marine expeditionary unit carried out a similar mission at the start of the Iraqi government’s operation to recapture the city of Mosul from IS last year.”

[ED. NOTE: One thing is certain – the multiple wars that the US has been waging in the Middle East for the past 25 years or so are not only going to continue, but from this point forward are likely to escalate. And remember, the reason that both the US and Russia are fighting in Syria is to gain control of a natural gas pipeline. If you have sons or daughters who fight and die in these wars, you could not be faulted for asking WHY?]

B. THE GROWING CONFLICT WITH NORTH KOREA AND CHINA

Meanwhile, China is extremely angry that South Korea has allowed the US to deploy the THAAD missile defense system on their soil. China is lashing out at South Korea and Washington for the deployment of a powerful missile defense system known as the Terminal High Altitude Area Defense system, or THAAD, deposited at the Osan Air Base in South Korea on March 6.

The deployment of THAAD follows several ballistic missile tests by North Korea in recent months, including the launch of four missiles on March 6, three of which landed in the sea off the coast of Japan. Though THAAD would help South Korea protect itself from a North Korean missile attack, China is vocally protesting the deployment of the system, claiming it upsets the “strategic equilibrium” in the region because its radar will allow the United States to detect and track missiles launched from China.

Of course the US needed to do something, because the North Koreans keep rattling their sabers by firing off more ballistic missiles toward Japan. But it is one thing to deploy a missile defense system, and it is another thing entirely to fly strategic nuclear bombers into the region. So if the Chinese were upset when THAAD was deployed, how will they feel when US B-1 and B-52 bombers start showing up in South Korea?

On March 7, North Korea dictator Kim fired off four ballistic missiles into the seas near Japan. Now US military chiefs are reportedly planning to fly in B-1 and B-52 bombers – built to carry nuclear bombs – to show America has had enough. South Korea and the US have also started their annual Foal Eagle military exercise, sending a strong warning to North Korea over its actions. A military official said 300,000 South Korean troops and 15,000 US personnel are taking part in the operation. The Trump administration has openly stated that all options “are on the table” when it comes to North Korea, and that includes a military strike. It has been more than 60 years since the Korean War ended, but many are concerned that we may be closer to a new Korean War than we have been at any point since that time.

And of course our relationship with China (which has the world’s largest army) is cratering as well. Another reason why the Chinese are extremely upset with the Trump administration is because a US Navy carrier battle group led by the USS Carl Vinson sailed past islands that China claims in the South China Sea just a few weeks ago. In China, the media openly talks about the possibility of war with the United States over the South China Sea. Most Americans are not aware that the South
China Sea is a serious international issue, but the Chinese understand it very well.

The US military has recently made several other moves in the region that have angered the Chinese. In February, the US sent a dozen F-22 Raptors to Tindal AB in northern Australia, the closest Australian military airbase to China, for coalition training and exercises. It’s the first deployment of that many F-22s in the Pacific. And if that didn’t get the attention of the Chinese government, the US just tested four Trident II submarine-launched ballistic missiles during a nuclear war exercise, sending the simulated weapons 4,200 miles from the coast of California into the mid-Pacific. It’s the first time in three years the US has conducted tests in the Pacific, and the first four-missile salvo since the end of the Cold War. The Trump team is making a major effort to look tough and flex its military muscles – but if our opponents do the same (and they are) where does the escalation stop?

CONCLUSION

America and its NATO allies have imposed sanctions against both Russia and Iran. (Incidentally, US sanctions against Japan starting in 1939 were one of the contributing factors to the War in the Pacific – 1941-45.) The US and its allies have moved troops, tanks, and missiles into Russia’s backyard – which is clearly provocative, as the Cuban Missile Crisis proved in 1963 when Russia moved nuclear missiles into our backyard in Cuba. It almost triggered World War III. Now, we are doing the same to Russia. And the anti-Russian rhetoric has not declined since Obama left and Trump moved into the White House. US relations with both Russia and China continue to deteriorate and the neocons around Trump continue to escalate the rhetoric against both countries.

Conflict in the Middle East continues to escalate, and it is only a matter of time before a great war erupts between Israel and her neighbors. We should hope (and pray) for peace, but we should also not be blind to the signs of war that are starting to emerge all over the planet. Relatively few people anticipated the outbreak of World Wars I and II (except maybe the globalists who helped to promote those wars), and this may be true for World War III. Meanwhile, those who do understand the times should be praying for Trump and our leaders to make wise decisions and policies (independent of the influence of the globalist Establishment) and for world peace. But, be prepared in the event that the opposite (i.e., war) does eventuate!

IV. PRACTICAL CONSIDERATIONS

A. ECONOMICALLY, WE LIVE IN EXCEPTIONALLY PERILOUS TIMES – where equity and bond performance is driven by Fed policy rather than market dynamics, where banks offer low or even negative interest rates and threaten bail-ins when cash infusions are needed, where cash is under threat of extinction, and where thieves of every stripe abound. One solution, as MIA has emphasized for years, is to keep a portion of your wealth in precious metals stored outside the US. ICA offers a time-proven way to do this safely and easily. For more information, see the enclosed insert or call 1-800-525-9556 to talk with an expert about this subject.

B. IF YOU HAVENT VISITED MIATODAY.COM LATELY, check it out today. There you’ll find a detailed description of the ways in which our top law enforcement appointee is a bit foggy on the Constitution. You’ll read about the chickens coming home to roost for OPEC, and how Obama through his OFA is seeking to undermine Trump. Check out the news briefs, as well, for a quick summary of the significant events of the day. View some of today’s hardest-hitting or best-educating videos, or review and marvel at some of America’s amazingly insightful and always awe-inspiring freedom documents. You can also see our recommended reading list while you’re at it. It’s a thoughtful and wide-ranging list that will help you make the most of your reading opportunities.

V. FINAL THOUGHT – AMERICA NEEDS A GREAT AWAKENING

Most Americans have slumped back into complacency since the November elections – thinking that since we dodged the Hillary bullet (or missile) and got a reprieve from what was going to be political hell for America that all is now well in
the USA. It is NOT! As this issue of MLA discusses, very little has really changed except perceptions that all is now well. We see this in the “irrational exuberance” in the stock market, in the collapse of gun and ammo sales, in the cessation of most survival preparations, in the present lack of interest in gold and silver. The people (including many conservatives and Christians) have gone back to sleep.

This issue has tried to make the case that this new optimism is not justified. The political left and the globalists are fighting back with a vengeance, the winds of war are growing stronger by the day, the culture is collapsing, the police state is rapidly expanding, and the economy and financial system are teetering on the brink.

Meanwhile, most Americans are relaxing and enjoying the good life as if it will go on indefinitely – but this writer strongly suspects that it will not! This writer just spent a month in California – part of it in San Francisco, and was reminded of the collapse of our culture by seeing tent cities and countless homeless on the streets, gay/lesbian parades, an unbelievable drug culture, and reading or hearing on TV the nonstop leftist diatribes against everything of value this country has ever believed in. Will the American people wake up and fight back against this rising evil? This writer wonders!

In the Old Testament book of Jeremiah, the prophet (in warning of the coming disaster that was going to befall his people), described the people and leaders of his day (Jeremiah 8: 6, 7, 9, 10, 11, 12): “No one repents of his wickedness, saying, ‘What have I done?’ Each pursues his own course like a horse charging into battle…. My people do not know the requirements of the Lord…. The wise will be put to shame; they will be dismayed and trapped. Since they have rejected the word of the Lord, what kind of wisdom do they have…? From the least to the greatest, they are greedy for gain, prophets and priests alike all practice deceit. They dress the wound of my people as though it were not serious. Peace, peace they say, when there is no peace. Are they ashamed of their loathsome conduct? No, they have no shame at all: they do not even know how to blush.”

This passage and many more in the book of Jeremiah seem to this writer to describe America today – in 2017. One man, Donald Trump – even if he was the perfect leader (which he is probably not) cannot change a whole country and culture if the people have turned away from the principles and the God which made their country great. In this writer’s opinion, not only should those of us who still pray be praying continually for Trump and against the evil that is swamping our country, but we should be praying for a great awakening among the American people and a turning back to the faith (and God) of our fathers. Without that great awakening, this writer believes we will not only lose our wealth and prosperity, but the freedom that once made us the greatest nation in history – “a shining city on the hill.”

Will that great awakening take place? At this point, this writer is not optimistic that it will, but as the Bible says, with God all things are possible. Physical and financial preparations (i.e., a Plan B) are still very much in order – the present optimism and complacency not withstanding. But even more important is spiritual preparation and a close personal relationship with the God of the Bible – and an avalanche of prayer for our leaders and against the great evil that is sweeping over our country.

And that is the bottom line!