

THE GREAT DEBASEMENT

Introduction

By
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“Knaves assure, and fools believe, that calling paper 'money' and making it tender is the way to be rich and happy; thus the national mind is kept in continual disturbance by the intrigues of wicked men for fraudulent purposes, for speculative designs.”

- Richard Henry Lee
*Declaration of Independence signer
First U.S. Senator from Virginia, 1789*

After 100 years of deliberate debasement, the U.S. Dollar is dying.

America - whose power, prosperity and freedom have been secured by what once was the world's strongest, most trusted money - cannot long survive as a superpower after the dollar dies.

The dollar gave America the economic and hence military strength to defeat Nazi Germany, the Marxist Soviet Union and others bent on global conquest.

In a future without the U.S. Dollar, who will prevent a new Dark Age from descending on the world?

In this book we explore how American greatness and the dollar together

produced the most innovative and prosperous economy on Earth.

Like a cat, the dollar has nine lives - and is now about to lose the last of them.

Even thereafter, we expect something called the dollar to return as a Zombie or as a ghost through the marvels of technology. The dollar, already dematerializing, will become a specter haunting our economy.

We reveal that the Great Depression that began in 1929, and the current Great Recession that emerged in 2008, were mere symptoms of the continuing “Great Debasement” of our money that began in 1913 - and that marks its 100th Anniversary in 2013.

During these 100 years, our politicians have deceptively expropriated so much of its value that a 2012 dollar has only two pennies of the purchasing power of a 1913 dollar.

This Great Debasement of America's money is by far the largest confiscation of wealth in world history - and you, your children and your grandchildren are the ones on the losing end of this century-long policy.

The U.S. Dollar was transformed from being as good as gold to being a mere piece of debased paper with no intrinsic value issued by a country whose debts now exceed its entire national income.

We explain how the Federal Reserve System, created in 1913 by Progressive politicians to give America an “elastic” money, has taken on such enormous and far-ranging powers that it has literally become “the Fourth Branch of government.”

Today's dollar is just one of many currencies whose sinking worth comes from a government command, or “fiat,” printed on it: “This Note is Legal Tender for All Debts, Public and Private.”

The U.S. Dollar remains the world's Reserve Currency, the exchange medium on which global trade depends, yet it has become only a shadow of its once-respected former self.

We will look at Europe's Euro and China's Yuan, two other fiat currencies that may be rivals for the dollar's status as the world's Reserve Currency.

We explore how the Euro began as a Frankenstein currency and has become a Zombie. We explain how China invented ghost money, and how the U.S. Dollar is now turning into a dematerialized currency in the global economy.

The dollar has become a faith-based currency in which fewer and fewer people around the world believe.

The dollar's credibility depends on the "full faith and credit of the United States," which past generations in all nations respected.

Today's America, however, is being transformed into a European-style welfare state - a slacker nation whose spendaholic politicians keep borrowing approximately 40 cents of every dollar the Federal Government now spends.

Our nation keeps falling deeper into debt by between \$47,000 and \$58,000 every second (depending on which ever-changing official numbers we believe), every tick of our economy's doomsday clock.

The most optimistic economists say that, at least in theory, we could pay off our current debts with steady real economic growth of as little as 4 percent per year for the next decade and more.

What such optimists leave unmentioned is that real everyday price inflation is now running at 7 percent or more per year, devouring America's paltry "stall speed" economic growth of 1.3 percent (Second Quarter 2012, adjusted as of September 27, 2012) and pulling us down into red ink in a government-unacknowledged recession of minus 5 percent annual growth.

To achieve 4 percent growth on top of such deliberately-created inflation, the politicians would need to stop increasing what government spends - don't hold your breath waiting for that to happen - *and* the economy would need to grow by at least 11 percent without recession or slowdown for the next 10 to 20 years.

The truth is that America never escaped the Great Recession that began in 2007-2008, or the Great Depression that began in 1929.

In this book we take a hard look at the cliff edge where the dollar teeters today, seeing it both from the ivory towers of economic experts and from the hard real world experience of one struggling American family.

We met this family, Ryan and Peggy Jones and their children, in our book *The Inflation Deception: Six Ways Government Tricks Us...And Seven Ways to Stop It!*

We rejoin Ryan and Peggy in this book. And we meet their nephew Patrick Jones, a worldly-wise university economist, who explains in everyday terms the often-strange views of those who control America's money supply and economic policies.

“The Greatest Debasement has not just been the devaluing of our money...,” says Patrick. “What the Progressives have really debased is America itself.”

We explain in detail why, and how, they have done this. And we look back at the lessons of two other historic Great Debasements, in the England of King Henry VIII and the one that undermined the Ottoman Empire.

We explore how the U.S. Dollar ascended to greatness and then, in a fateful moment in our history when many Republicans and Democrats called themselves “Progressives,” our government killed the dollar that had proven successful and set a new course to replace it with an impostor currency that is a prime cause of today's many economic problems.

We examine the 1912 election that in the following year launched America's “Great Debasement” through the income tax and the Federal Reserve System and its “elastic” paper currency.

We explain why Progressives created both the Federal Reserve and the income tax in 1913, and how they have worked together synergistically to transform America into a very different country from what our Founders intended.

We consider the ominous parallels between the presidential election of 1912 and disastrous year 1913 that followed, with the election of 2012 and the fiscal cliff set to devastate America's economy and dollar in 2013.

As the American economy weakens, the dollar becomes evermore vulnerable to losing its balance and falling to its doom because of either natural or political events.

We consider several of the Tipping Points of these forces - political, natural, and international - that could trigger the dollar's demise, ending the economic and political world as we have known it.

We consider what kind of Brave New World might emerge after the dollar - and the America our once-powerful dollar made possible - have both vanished from the Earth.

We look at today's cliff-edge economy through the eyes of the Jones family to understand how the Great Debasement is changing the destiny of families like yours forever.

Fasten your seat belts, dear reader. You are about to be shown things that you never knew were manipulating your and your family's future. After reading this book, you will never again see money as you do right now.

As in most historic moments of crisis and change, the end of today's U.S. Dollar will be a disaster for those who are unprepared...and an important opportunity for some who have prepared and whose eyes are open.

Many who today take the right steps to hedge against the death of the dollar, and the vast changes this will cause, could not only survive but also thrive and prosper in the transformed world now fast approaching.

Think of this book as your survival guide for the Great Debasement and, very soon, the Post-Dollar world.

- Craig R. Smith

“Whenever destroyers appear among men, they start by destroying money, for money is men's protection and the base of a moral existence. Destroyers seize gold and leave to its owners a counterfeit pile of paper. This kills all objective standards and delivers men into the arbitrary power of an arbitrary setter of values.”

- Ayn Rand, *Atlas Shrugged*