

JERRY ROBINSON



BANKRUPTCY

★★★ OF OUR NATION ★★★

12 KEY STRATEGIES
FOR PROTECTING YOUR FINANCES
IN THESE UNCERTAIN TIMES

First printing: March 2009

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To Genesis Makayla and Isabella Rose.

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Introduction

America is in deep, deep trouble. As a nation, we are surrounded by a whole host of political and social problems:

- Internal terror threats
- Loose immigration and border control problems
- The institution of the family and of marriage is under vicious attack
- There are great issues in the area of bioethics, such as a blatant disregard for the sanctity of human life
- And of course, the U.S. economy seems to be teetering on the edge of disaster

Without a doubt, America has become a house-flipping, day-trading, non-saving, debt-exporting, Chinese-importing, oil-sucking, money-printing, credit-loving, entitlement-demanding, foreign-financed nation.

And because America has enjoyed such immense economic prosperity, many Americans have been lulled into a sense of economic complacency. But the recent tremblings in the global economy have demonstrated that the United States may not be as strong as was once thought.

When I first started writing and speaking about the economic ills of America, it was not well received. Some even considered me to be unpatriotic to expose the deficiencies of my own homeland. And while those early days brought little interest in our message, now that the economy is tanking, I find that I am busier than ever. Though you would think that this newfound awareness of America's economic vulnerability would make my message easier, it has actually made it more difficult. The reason for this lies in the simple fact that humans have a tendency to cast blame when things go wrong. This "blame game" mentality started in the Garden of Eden when Adam

blamed his sin on his wife, Eve. Eve then proceeded to blame the serpent who had so craftily deceived her. But in the end, humanity's sin was to blame.

The blame game continues today within the realm of our financial crisis. Democrats blame Republicans, Republicans blame Democrats, others blame corporations, while still others blame government and its institutions. Those who fall for this blame game are thoroughly deceived. In this book, I will demonstrate many of the problems that are facing America. Problems will be found in nearly every area of our society. But this book is different in that in my final analysis, there will be one overarching theme. That theme is man's inability to effectively rule himself. And the reason that man cannot rule himself effectively is very simple: he was never created or designed to rule himself. Man was created to be ruled by his Creator God. Man's rebellion against God's rulership in the Garden of Eden has led to nearly 6,000 years of failed human government. The chaos, disorder, and confusion in America's economic and political arenas are ultimately due to one single factor: man cannot rule man. In fact, the problems confronting our nation and the world at large serve to prove God's point that we need Him more than ever. As a follower of Christ, I believe that Christ is going to return, judge the nations of this world, and set up His own Kingdom here on the earth. My faith is in that Kingdom. All other kingdoms are rooted in false hopes. They are cheap imitations. And they all end in disaster.

The kingdom of America is no different. The American economic empire is facing an impending collapse. I believe that the coming crisis in the U.S. economy can become one of the American Church's finest hours for evangelism. However, it can only be an opportunity *if the Church recognizes it.*

But for the Church to recognize the opportunity, it must be watching. Unfortunately, much of the American Church today is *asleep.*

And not only are many of the churches in America asleep, they are also caught up in the same delusion as the world is. Many of today's churches are chasing after the same elusive and temporal things that the world is chasing after, so much so that it has become hard to tell the two apart at times.

This spiritual lethargy has allowed massive amounts of deceptive teachings to seep into America's churches regarding money and

Christian living. Of course, these false teachings then directly affect the theology of the Church, which leads to an even greater deception.

In 2 Timothy 3:1–5, the Apostle Paul describes what the very last days prior to Christ’s return would look like. He said that men would be:

- lovers of themselves,
- lovers of money,
- without self-control,
- conceited,
- lovers of pleasures rather than lovers of God.

Do any of these things sound familiar today? America is ripe with this type of behavior. And while this type of behavior exists in the world, it has even become acceptable in many of America’s churches. As this book unfolds, I will demonstrate why I believe that many in the American Church have been sucked into a great end-time money delusion in that they believe in this illusion of prosperity that surrounds them. Throughout this book, I will show why I believe that America is moving quickly toward a *hyperinflationary depression* in the coming years. As mentioned previously, I believe that this time of economic hardship will be one of the Church’s greatest opportunities to witness and show the value of Christ to a deceived and broken nation that has placed its trust in man’s ability to rule and govern himself.

But for the Church to take advantage of this opportunity, it must not be sucked into the illusion of prosperity that has so greatly affected this nation.

The American illusion of prosperity has been built upon several premises that are faulty. This book will identify five economic trends that point to this faulty foundation.

- This book will explain why the purchasing power of your U.S. dollar is declining and why the dollar is doomed.
- It will detail how America became the greatest debtor nation in world history, built upon foreign-financed entitlement spending, and why this will lead to massive inflation in the future.
- It will point to America’s dependence upon foreign nations for its energy supplies and how this could lead to massive disruptions in both the American economy and our entire way of life.

- It will expose the fraudulent debt-based monetary system employed by America's central bank, the Federal Reserve, and how it has turned America into a "bailout nation."
- Finally, this book will seek to shatter the myths of the American mindset regarding the American nation, and its trappings of over-consumption and lack of sacrifice.

After a complete discussion on these five topics, which will include a few forecasts, I will conclude with 12 key strategies that any American can use to protect his or her finances in these days of economic uncertainty. These strategies have already been used by many who have heard me speak and teach on this topic. I believe that they will help you, too, as you seek to protect yourself and your family from whatever financial turmoil may lie ahead.

A Final Word on Awareness

During my studies in college, the two topics that I naturally gravitated toward were economics and theology. I remember a few of my academic counselors were slightly confused by the two seeming incompatible disciplines. However, as long as I can remember, I have always seen a direct link between economics and the study of theology and the Bible. This is perhaps because I do not view economics as the study of money. Instead, I view economics as the study of choices and decisions. In this world, we all have to make decisions. In fact, our lives consist of the choices and decisions that we make on a daily basis. We can choose the good. Or we can choose the bad. We can choose responsibility. Or we can choose recklessness. Our daily decisions do not only affect our lives, but they affect those around us as well. Each decision we make contains within it the opportunity to make this life, and the next, more sweet, or more bitter. We have been blessed and endowed by our Creator with the blessing of being able to choose. Of course, this freedom of making choices is a double-edged sword. History is proof positive of this.

The information concerning mankind's history, and our present day, that is presented in this book will be both exciting and weighty. In one sense, this information is exciting because it will shed much light on the confusion that exists in our nation and our world. In the midst of so much confusion, it is highly exhilarating to gain clarity. However, the information is also extremely weighty in that "to whom

much is given, much is required.” The truths that you will learn in this book will forever change how you view the world around you. It will lead you to greater awareness — which is ultimately the first step in any direction.

Awareness is important for another important reason, as well, for those who view the world through biblical lenses. Most sincere followers of Christ believe that these are the last days and that Christ could return at any moment. If that is true, then it must also be true that these are the most deceptive days the earth has ever experienced. This is because the Bible indicates that great deception would be a sign of His return. And if these are truly the final days before Christ’s return, which I believe they are, then we are living amid more deception than we could ever begin to realize. Awareness regarding the lateness of the prophetic hour urges us to be ever vigilant and watchful. *Anything is possible in these days of deception.*

The reason for this deception is simple: Satan is operating with very little time, and he desires to lead the whole world into deception. His very first recorded act in the Garden of Eden was rooted in deception. In Revelation 12:9, the Bible calls Satan the devil, “the deceiver of the whole world.”

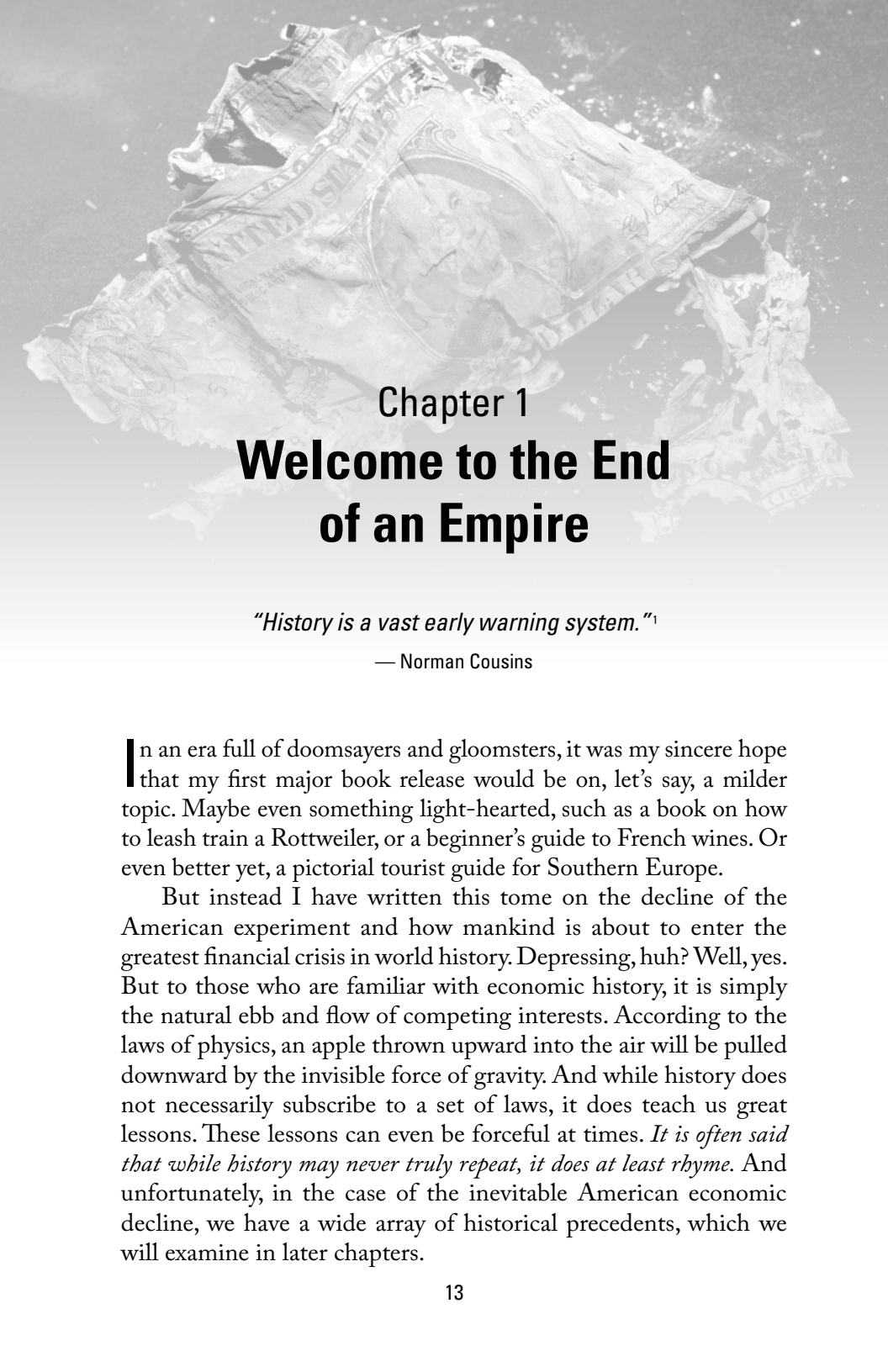
But Satan’s dominion over this earth will come to an end. And that time is coming soon. All of creation will rejoice and be glad in that hour.

In the meantime, however, God has not left the Church powerless against the deceptive wiles of Satan. In fact, we possess the strongest weapon imaginable to counter Satan’s efforts to deceive. That weapon is the Word of God.

As children of the Most High God, we are commanded not to be ignorant of Satan’s devices. Instead, we are expected to exercise the light of truth from God’s Word to expose and confound the dark deceptions of wickedness. While Satan’s power is found in his lies, our strength is found in the truth.

In this book, I will expose the deceptive lies about money that have infected the American culture, and the American Church. The only way to arrive at a place of truth regarding these matters will be to recognize these deceptions about money for what they are, and then to confront them with the truth.

This is my prayer for you, for the Church, and for the nation.



Chapter 1

Welcome to the End of an Empire

*"History is a vast early warning system."*¹

— Norman Cousins

In an era full of doomsayers and gloomsters, it was my sincere hope that my first major book release would be on, let's say, a milder topic. Maybe even something light-hearted, such as a book on how to leash train a Rottweiler, or a beginner's guide to French wines. Or even better yet, a pictorial tourist guide for Southern Europe.

But instead I have written this tome on the decline of the American experiment and how mankind is about to enter the greatest financial crisis in world history. Depressing, huh? Well, yes. But to those who are familiar with economic history, it is simply the natural ebb and flow of competing interests. According to the laws of physics, an apple thrown upward into the air will be pulled downward by the invisible force of gravity. And while history does not necessarily subscribe to a set of laws, it does teach us great lessons. These lessons can even be forceful at times. *It is often said that while history may never truly repeat, it does at least rhyme.* And unfortunately, in the case of the inevitable American economic decline, we have a wide array of historical precedents, which we will examine in later chapters.

But even more than the lessons of economic history (which we will examine more closely in chapter 3), we have even greater evidence that the global influence exerted by America, both economically and politically, will decline considerably in the not-too-distant future. Our source: the Holy Bible. Despite what the Western-centric thinker may suggest, the ancient writings of the Christian Bible are clear. They confirm that the biblical prophecies concerning the “last days” are Israel-centric and Middle East-centric. *They are anything but America-centric.* God’s Word clearly states that the global stage will be firmly transferred to this volatile region just prior to the return of Christ.

As a believer and follower of Christ, it is my earnest belief that hope is never completely lost, because God’s sovereign plan of the ages will forever prevail — no matter how desperate things may appear. But as a believer, I have also learned that only a fool places his trust in man’s ability to rule man. If history is a guide to anything, it is a guide to the consistent knucklehead acts of mankind throughout the ages. Mankind’s predicament stems from the fact that man was not designed, nor was he ever meant, to rule himself. According to an orthodox view of the Christian faith, mankind has rejected the omnipotent rule of his Creator. Instead, man has opted for self-rule. This ancient act of rebellion explains the last 6,000 years of pain and suffering and more recently, why the 20th century was the bloodiest century on record. (Ironically, the 20th century has also been labeled the “American Century.”)

America represents the culmination of all that man has ever aspired to: wealth, fame, self-love, self-importance, and freedom to do whatever the heck he wants (otherwise known as independence). But as men have engaged themselves in this “American experiment,” the inward corruption of mankind has bubbled to the surface. Unable to rid himself of his true sin nature, man attempts in vain to cloak his deficiencies. Unfortunately, America is following the same path as every economic empire before it. And lest we confuse ourselves, Western Christians must quickly grasp this point: America is not the light of the world. The sun shone before America was here, and it will continue to shine long after our self-inflicted demise. So let us not proceed in shock or surprise at the complex webs that America has weaved for itself. Its fall is historically identifiable, though unfortunate. And it is all but certain.

The Excesses of Empire

Over the last few decades, certain economic trends have pointed toward an eventual day of reckoning for the U.S. economy. For example, over the last several years the United States has outsourced the majority of its domestic manufacturing to foreign countries, opting instead to specialize in consumption. This specialization in consumption has meant that for the first time in the nation's history, the personal savings rate of Americans has dipped below 0 percent. Today, the U.S. credit industry has trumped the manufacturing industry in total revenues. This as the consumer-crazed nation purchases everything in sight through the use of high-interest credit in an effort to feed the hungry credit beast that they have created. And this "buy now and pay later" mantra is not contained to, nor did it originate within, the consumer credit market. Evidence of it is found in government as politicians promise the unborn grandchildren's money to pay for the luxuries of the grandparents.

It is demonstrated in the poor monetary policy decisions that have systematically devalued the empire's choice of currency, the U.S. dollar. Today, thanks to our nation's fiat currency system, it takes one dollar to purchase what five cents could purchase in 1945.

Evidence of this "buy now, pay later" attitude that threatens America is demonstrated in American foreign policy as modern wars are fought without an appeal to national sacrifice. Instead, foreigners fund America's wars through massive capital inflows that serve to prop up U.S. consumption and conquest.

America has reaped what it has sown by creating an *entitlement generation* that expects perpetually low tax rates and interest rates. It also expects unrealistically high government entitlement spending and investment returns. This new entitlement generation considers the concepts of sacrifice and saving as unnecessary relics worthy of the dustbin of history as modern Americans refuse to deny themselves any delight or delicacy. The American economy represents nothing less than a feeble house of cards completely vulnerable to the inevitable external forces that await every declining empire.

Many authors and commentators have highlighted the striking similarities between modern America and former empires such as Rome and Great Britain. Those who are not familiar with such comparisons would greatly benefit from researching this material,

as it will provide a much-needed historical context to the impending American economic crisis. Therefore, I will avoid belaboring the historical and cultural comparisons here. I do not believe, however, that one must understand the historical cycles to appreciate the fact that America is facing great economic jeopardy.

The painful truth expressed in this book is that the end of the American experiment will, more than likely, come sooner rather than later. The reason behind this looming decline is due to the fact that the United States of America is standing on the precipice of a self-imposed economic calamity. America's ascendance into the heady realms of economic empire began in the post-World War II Bretton Woods era when it was the world's greatest creditor nation. Today, just over 60 years later, America now stands as the *greatest debtor nation in world history*. Decades of financial excess, coupled with an entitlement mentality, has left America as financially bankrupt as it has become morally. America clearly represents a reluctant economic empire in decline. And like all empires that have gone before it, its days are numbered. The death of an empire can be quick and painless; however, that is rarely the case. Instead, empires tend to die slow, painful, and humiliating deaths, and their demise is usually accompanied by at least two things: an overextension of the empire's military and extreme economic overindulgence and depravity. America exhibits excesses in both of these categories.

U.S. Military Overextension

To confirm America's overextended global military presence, one must look no further than the more than 700 U.S. military bases located in over 120 nations. That means that America's military is located in over half of the world's nations. The American obsession with maintaining global hegemonic power through military force is justified in the name of protecting the important causes of freedom, democracy, and justice worldwide. Or as former President William McKinley put it, "The American flag has not been planted in foreign soil to acquire more territory but for humanity's sake."² However, acting as the ever-vigilant and ever-present global policeman requires an annual budget over \$600 billion.³

- That is 10 times larger than China's \$65 billion annual military budget.
- 12 times larger than Russia's \$50 billion.

- 120 times larger than North Korea's \$5 billion.
- 140 times larger than Iran's \$4.3 billion.
- And that's around 5,000 times more than Afghanistan's \$122 million.

In fact, funding the American military machine costs more than all of the rest of the world's militaries' expenses — *combined*. And while these exorbitant costs spent to maintain militaristic dominance is typical of an empire, it also is clearly unsustainable.

U.S. Consumption Levels Require Foreign Creditors

The American empire's economy has become grossly indebted to foreign creditors through a shameful lack of sound fiscal stewardship. The empire's total current national debt stands at a colossal \$9 trillion and is growing by the billions every single day. Foreign countries own more pieces of America than ever before. Not only do foreigners own a large amount of America's real wealth (real estate, corporations, etc.), they also hold vast amounts of our government bonds. The repercussions of this large foreign ownership of American interests will be discussed at length in upcoming chapters.

As this book will seek to demonstrate:

- American prosperity is denominated in a debt-based and debt-backed currency, the U.S. dollar. But this illusion of prosperity in America is hardly recognized or highlighted by the financial elite or the nation's media.
- U.S. over-consumption, coupled with American military adventurism since the Vietnam era, has been financed by foreign creditors. With huge trade deficits and a growing national debt, indebtedness to foreign creditors leaves the United States in a highly vulnerable position.
- U.S. and global demand for energy resources are increasing at a rapid rate. Unfortunately, global energy production is not going to be able to keep pace with global demand. A growing depletion of cheap energy resources, coupled with a threatened petrodollar system, will more than likely force America into becoming militarily aggressive in future resource wars with other growing nations (i.e., China, India, etc.).

- American consumer debt has reached all-time highs. This year, more Americans will declare bankruptcy than will divorce, graduate from college, or get cancer; 43 percent of American households spend more every month than they earn. Clearly, this lack of fiscal discipline must eventually end. Behind all of this lies a monetary system that is based upon debt. This book will explain in stark details how the monetary system of the United States of America is a debt-based system. In fact, money *is* debt. To understand this concept, we will examine the Federal Reserve system and the mind-blowing money creation process that they employ.

An Illusion of Prosperity

Despite these facts, the majority of America's government's institutions, along with their sidekick, the American media, exploit the lack of economic understanding of the masses. In the face of a weakening U.S. economy, those with the loudest voices and largest platforms within the empire have rushed to the nearest microphone urging Americans to continue their overconsumption. They gently assure Americans that the economy is "resilient" and "strong" enough to weather any storm. As the *Titanic* coasted through the Atlantic that fateful night, no one believed that the mammoth ship would ever meet its demise on such a routine voyage. Nevertheless, as the *Titanic* began to sink, the majority of its passengers remained in disbelief. The horror of that fateful evening unfolded against the backdrop of big band music, dancing, and free-flowing cocktails. The music played until the very end. Likewise, everything is perpetually peachy on the inside of a declining empire. But to believe that the current excesses of the American economic empire are eternally sustainable is about as wise as taking time to rearrange the furniture on the sinking *Titanic*.

It is understandable why some Americans would still feel optimistic about the nation's economic future when one simply looks at the recent performance of the U.S. stock market. Over the last several years, the nominal returns on many domestic stocks have been extremely healthy. Since 2000, for example, the Dow Jones Industrial Average has provided the average investor a return on investment of around 36 percent. However, *all of the returns reported to American investors are calculated based upon the empire's currency, the U.S. dollar.*

What the typical American investor does not realize is that the gains that he has made in his U.S. stock portfolio have actually been losses due to the declining purchasing power of the U.S. dollar. So in the past, when the average American examined their 401(k) plan statements, they may have seen a positive return on investment, but in all reality, their investments have lost value, internationally speaking, due to the declining dollar.

We can see more clearly how much the U.S. dollar has been devalued through a series of bad monetary policies by simply considering an example using the aforementioned Dow Jones Industrial Average. The Dow Jones, of course, is denominated in U.S. dollars and has increased 36 percent over the last seven years. But if we compare the Dow Jones to other prices besides the dollar for the last seven years, here is what we find:

- If the Dow Jones had been priced in euros rather than dollars for the last seven years, the Dow would have been a losing investment. In fact, it would have lost 40 percent. Therefore, Europeans who have invested in the Dow Jones for the last seven years have not gained 36 percent but, rather, have lost 40 percent.
- If denominated in milk prices, the Dow Jones now buys 35 percent less milk than it did just seven short years ago.
- If denominated in wheat or corn, the Dow now buys 40 percent less wheat and corn than it did seven years ago.
- If denominated in gold, the Dow now buys 50 percent less gold than it did seven years ago.
- If denominated in silver, the Dow now buys 55 percent less silver than it did seven years ago.
- If denominated in oil, the Dow now buys 70 percent less oil than it did seven years ago.
- If denominated in copper, the Dow now buys 80 percent less copper than it did seven years ago.
- If denominated in uranium, the Dow now buys 90 percent less uranium than it did seven years ago.

A sign that you are living at the end of an empire is that you think you are making money while instead you are losing money. The illusion created by the American economic empire has become extremely deceptive to millions of hard-working Americans. It is a lot like driving a beautiful luxury car with a broken fuel gauge. When the gas tank nears the empty mark and you are running on fumes, you will receive little warning, but you sure do look great. *Today, many Americans look rich on paper, but the purchasing power of their dollars is rapidly decreasing.* A simple jaunt to any American grocery store will confirm this bit of data. Grocery prices, gas prices, oil prices, and commodity prices are all increasing at remarkable rates and testify to the economic uncertainty fueled by a declining dollar. The inflationary pressures hitting the U.S. consumer have been anything but subtle.

For example, in 2000:

- Gold was \$273 per ounce.
- Oil was \$22 per barrel.
- National gasoline prices averaged at \$1.46.
- The euro was worth \$0.87 per dollar.
- The Canadian dollar was worth \$0.68 per dollar.

In 2008, just a few years later:

- Gold soared to well over \$900 per ounce.
- Oil broke through \$140 per barrel.
- National gasoline prices averaged nearly \$4.00 per gallon.
- The euro reached \$1.46 per dollar.
- The Canadian dollar reached parity with the U.S. dollar.

Of course, in the face of such obvious inflation, the U.S. federal government has assured U.S. consumers that consumer prices are under control and are being “tightly monitored.” In fact, according to the feds, the U.S. economy is strong and inflation is low. But the price of gold, oil, and gasoline do not lie. The purchasing power of the dollar is declining, and it has been for years. In the last five years alone, the U.S. dollar has lost 35 percent of its value against the euro. Open any newspaper and you will find that your hard-earned U.S. dollars are hitting all-time lows against other global currencies nearly every week.

Of course, average everyday consumers pay little attention to gyrations in the global currency markets. But they do understand

that when the price of milk or bread goes up, they are able to buy less of it. So the price of gold is hitting all-time highs. Oil is hitting all-time highs, causing gasoline prices to rise. Food prices are rising. It appears that the price of everything is going up. However, the point is that prices are not rising as much as the purchasing power of the dollar is declining. Thus, the illusion of the dollar is simply that: a glorious illusion.

A “Global” War on Terror

In addition to economic illusions of prosperity, declining empires also tend to become rather ambitious in their military aims. The 21st century began with the largest terrorist attack on U.S. soil when occupied airplanes were used as missiles against the World Trade Centers and the Pentagon. In response, the Bush administration launched a global war on terror. Admittedly, hunting down those responsible for these egregious attacks upon thousands of Americans should be a priority of the U.S. government. But upon closer examination, an even larger problem exists: war is expensive. And initiating and conducting a worldwide war on terrorism is terribly expensive, even for the richest nation in world history. This is why every previous war in this nation’s history has required some economic sacrifice on the part of its citizens. For example, in the wake of the Japanese attack on Pearl Harbor, President Roosevelt ended production of new automobiles, new homes, and new appliances in an effort to free up American manufacturing and labor resources for military trucks and tanks needed for the war. Food and gasoline supplies were rationed as the country mobilized for an expensive war that nearly all agreed was necessary for the future peace of the nation. Additionally, the federal government promoted and sold war bonds to the general public to obtain the funding necessary to pay for the ongoing costs associated with war. Understanding that wars cost money, U.S. citizens from that “great generation” *sacrificed* many of life’s conveniences in order to prevent America from going into massive debt. Even in Vietnam, which was an American financial nightmare, a military draft ensured that sacrifice was exacted from American families.

In contrast, after the 9/11 attacks, President George W. Bush encouraged Americans to go shopping and to take vacations. In our modern era, little economic sacrifice has been requested from American citizens. So while the bombs drop and the rockets fly,

most Americans yawn and turn off the television. The nightly news brings reports of war and chaos that might as well be happening on a different planet. Ask yourself: Where is the economic sacrifice in this new massive worldwide war on terrorism? Which of our nation's leaders are asking you to curb your consumption in an effort to fund our current global war? Oddly enough, in the midst of a costly global war, the nation's taxes have been lowered while government spending has increased. The sheer absurdity of this should be obvious. But apparently it is not, as clearly witnessed by American citizens who have apparently bought the government's line that "Americans can have their cake and eat it too." To tell the American voter anything to the contrary is too politically risky.

Since Americans are not being asked to fund the extravagant expenses of a global war with no end in sight, who then is footing the bill for America's war on terrorism? The answer: foreign countries, namely China and Japan. How are they funding the war, you might ask? Through their purchases of U.S. government debt, such as U.S. Treasury bonds. Since 2000, China and Japan have been rapidly increasing their holdings in U.S. debt instruments, to the tune of hundreds of billions of dollars. *In other words, China and Japan are financing America's war on terrorism.*

Emerging Nations as the New Global Consumers

Americans are "expert" consumers, and American consumption — until February 2005 — had been the highest in the world in nearly all categories. On February 16, 2005, a report was released by the Earth Policy Institute that confirmed what most of the world already knew: China is rapidly replacing the U.S. as the world's largest consumer. The report stated that "among the five basic food, energy, and industrial commodities — grain and meat, oil and coal, and steel — consumption in China has already eclipsed that of the United States in all but oil." China's insatiable appetite for commodities is both obvious and frightening. The enormous nation has 1.3 billion people who all desperately desire the same luxuries that Americans now enjoy, and they are willing to work hard to obtain them. Of course, one of the luxuries of a modern wealthy nation is automobiles. And automobile sales are increasing rapidly in China as the nation continues its industrial revolution — 21st-century style. Therefore, the price of oil is intricately linked to China's emergence from an agrarian society to a

highly developed nation. And while China trails the United States as the world's second largest oil consumer, it is now the world's fastest net importer of oil. China's demand for oil is growing each year, and government estimates have stated that by 2030, China's demand for oil will eclipse U.S. demand for oil. In addition, China now boasts five of the world's ten largest companies, including oil production giant PetroChina. In November 2007 it was announced that PetroChina had become the first company in history to be valued at over \$1 trillion, thus making PetroChina twice as valuable as the world's previously largest company, American oil giant ExxonMobil. China today is viewed by many as simply an economic bully. This may be true. But Americans do good to ask themselves: *How long before China's economic power turns into political power?* In fact, what else is a superpower if not an economic powerhouse with tremendous political prowess. As the Earth Policy Institute report concludes: "China is no longer just a developing country. It is an emerging economic superpower, one that is writing economic history. If the last century was the American century, this one looks to be the Chinese century." It is amazing when you think about it. America's population of just over 300 million has consumed more than China's 1.3 billion citizens for decades. This statistic alone displays America's staggering wealth and our consumption-driven economy. And China is not an isolated case. India, and its 1.1 billion citizens, is experiencing its own economic revolution as many of its impoverished citizens successfully embrace the tenets of capitalism in an effort to increase their standard of living. Add to this other countries such as Brazil, Russia, and a host of other nations that are all emerging as major global economic players onto the world's stage. They all come ready to compete for their share of the world's limited resources. Clearly, insisting that American hegemony is sustainable is not only unreasonable, but it is also highly irresponsible.

The Life Cycle of Democracies

Consider how the Scottish historian Alexander Tyler documented the typical life cycle of a democracy:

A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves money from the public treasure. From

that moment on the majority always votes for the candidates promising the most money from the public treasury, with the result that a democracy always collapses over loose fiscal policy followed by a dictatorship.

Tyler continues with this amazing statement:

The average age of the world's great civilizations has been two hundred years. These nations have progressed through the following sequence: from bondage to spiritual faith, from spiritual faith to great courage, from courage to liberty, from liberty to abundance, from abundance to selfishness, from selfishness to complacency, from complacency to apathy, from apathy to dependency, from dependency back to bondage.⁴

Does this sequence sound familiar? Where does this dependence upon others to pay the bills place the fragile American experiment on this life cycle?

So let us summarize our conclusions thus far:

- The purchasing power of our U.S. dollar is declining in value.
- The U.S. government continues to print more money.
- We are engaged in an expensive and endless global war on terror.
- We are obsessed with cutting taxes.
- We are raising government spending to all-time highs.
- We have requested little, if any, economic "sacrifice" on the part of our citizenry.
- Our trade deficit and budgetary deficits are at all-time highs.
- Our national debt is at an all-time high and growing exponentially.
- We are completely dependent upon foreign nations to fund our over-consumption through the sale of our debts.

As long as foreign countries purchase our massive debts, perhaps we can extend this madness. But what happens if foreign

countries begin to decrease their funding of our debts? And what if America's foreign creditors decide to diversify their currency holdings into other currencies? The truth is, the American public is living in massive monetary deception. The direction that the American economy is heading is extremely difficult to swallow. However, if our aim is truth, then we will willingly embrace the facts and take the necessary steps needed to shelter ourselves and our families. Undoubtedly, the only real way out of the mess that has been created will also be the hardest. A glimmer of hope remains that the difficult steps that need to be taken will be embraced, especially by Christians. But regardless of whether this happens or not, there is still hope for the informed citizen. The message of this book is one of great hope. But it is not a hope that the global economy will never awaken to the harsh realities awaiting it. God's Word has clearly stated that man cannot rule man. Our failed attempts in this area continue to prove his point. Our hope is in knowing which direction the trends are taking us. It is in this knowledge that you will be able to protect and shelter whatever wealth you have already accumulated, and in addition profit from the greatest financial crisis that the world has ever witnessed. As you read the following chapters of this book, be of good cheer. Despite man's best efforts, God is still in control. And with God, the end is only the beginning.

Endnotes

1. *Saturday Review* editorial, April 15, 1978.
2. From a 1900 campaign poster for the Republican party, July 12, 1900.
3. <http://www.globalsecurity.org/military/world/spending.htm>.
4. David L. Wood, *Why Worry About the Gradual Loss of Our Liberties?* (Oakland, OR: Elderberry Press, 2003), p. 36.