September 2017: Where Will You Be When the Debt Bomb Detonates?

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POITOU, FRANCE – Sound the alarm. Take your money off the table. Pack your socks and your passport. There's goi trouble.

The Washington Post reports: "Steven Mnuchin, Trump's treasury secretary, is hurtling toward his first fiasco."

Republicans have majorities in both houses of Congress. Yet they cannot do the one thing they all agreed they should they all promised to do. And if they don't do it, the country will go broke.

"Crumbling health bill dents McConnell image as top tactician," says the Associated Press.

"How Trump and Republicans failed on their health-care bill," explains the Post.

"Republicans' health-care split goes all the way to the party's soul," declares another Post line.

Rejoicing or whining, the media is all over the story. But the more important dots are buried deeper.

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Details on the "next Bitcoin" (revealed tomorrow night)

This crypto is in the same position Bitcoin was a few years ago, right before it soared. It's just starting to get some buzz especially in cryptocurrency circles... but it hasn't hit the mainstream news yet. Once it reaches a wider audience, the delivered so far could seem like a drop in the bucket. We're revealing its name tomorrow night in a special webinar. Rehere before it's too late.

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Guns and Butter

Democrats, from the time of FDR, wanted a welfare state. They got it. Cost? About \$2.5 trillion per year.

And since Reagan and the rise of the neo-cons, the Republicans wanted a warfare state. They got that, too. At a cost – of nearly \$1 trillion per year.

Between the two, that's nearly 90% of the entire federal budget...

The "guns versus butter" debate goes way back. Lyndon Johnson was warned that the country could afford a war on poa war in Vietnam, but not both at the same time. The big Texan paid no attention.

Debts and dollars piled up - many of them in the Bank of France via its branch offices in Southeast Asia.

Jacques Rueff was former French President Charles de Gaulle's finance chief back then. And Rueff was no fool. It was had put the French economy back on its feet after World War II.

In the 1940s, France had been defeated, divided in two, and then run by military administrators. The Third Republic fell was rationed. Other consumer goods – from nylon stockings to Renault cabriolets – disappeared.

Then important sectors of the economy – banking, insurance, airlines, autos, steel, cement – were nationalized under the heavy influence of socialists and communists in the *après-guerre* government. Inflation was out of control, as the French feds put in a welfare-state system under the guidance of economist Jean Monnet.

Rueff sorted this out in two key moves. He devalued the franc, making it convertible to gold. And he balanced the gove budget. Honest money and honest finances did the trick. The French economy boomed for the next 30 years.

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Shah Gilani's Monstrous 95% WIN RATE Continues

We've never seen anything like it... Since April 21, Shah Gilani has helped *Money Morning* readers make more mone maybe anyone in history. His last trade recommendation closed out for a 995% win. And he's got seven more trades lir right now. To date, his win rate is 95%. And they expect him to continue this incredible achievement for at least the ne months. You have to see this.

Printing Dollars

In the late 1960s, however, Rueff was confronted with a challenge – America's "guns and butter" fiscal program.

The U.S. was kiting its expenses by printing dollars... many of which were stacking up in the Bank of France.

What to do?

Rueff advised de Gaulle to take dollars forthwith to the U.S. Treasury and exchange them for gold. He knew that even r Americans couldn't afford a warfare state and a welfare state at the same time.

He was right.

Gold could be bought for \$37 an ounce on the open market on the last day of 1970. A decade later, it was \$589 an oun Today, it stands at \$1,243.

Had you done nothing other than put your money in gold when the U.S. went off the gold standard, you would have mu your capital 33 times.

By contrast, the Dow has gone up 26 times in the same period... not including dividends.

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Chilling Footage of Protest (More unrest to come?)

After protesters attacked his daughter's street, this rancher decided to expose them... and uncovered a disturbing tru

Broken Promise

But back in 1971, few people noticed the change in America's money.

It was then – under the administration of Richard Nixon and ill-advised by economist Milton Friedman – the U.S "closed window" at the Treasury, reneging on the solemn promise to convert foreigners' dollars to gold at a rate of \$35 per outcome.

Thereafter, the dollar could not be redeemed for gold at a fixed, statutory rate. And thereafter, there was no obvious limit to how much butter or how many guns the feds could afford.

This fake money is what has fueled the growth of the two big projects of the Deep State: imperial wars overseas and runaway welfare expenses at home.

But even fake money runs into limits. One of those is coming up fast. From the Post.

Mnuchin is hurtling toward his first fiasco, unable to get Congress, let alone his colleagues in the Trump administration, on board with a strategy to raise the federal limit on governmental borrowing. [...]

Unlike other issues facing the Trump administration – such as passing a health-care bill and overhauling the tax code – raising the debt limit comes with a hard deadline of late September, according to Mnuchin. Failure to do so could lead the U.S. government to miss paying its obligations, causing what analysts would consider a historic, market-rattling default on U.S. government debt.

"We're going to get the debt ceiling right," Mnuchin said in an interview Monday. "I don't think there is any question that the debt ceiling will be raised. I don't think there is any who intends to put the government's ability to pay its bills at risk."

He's right. Republicans and Democrats will come together to raise the debt ceiling. Both know they are beholden to the Deep State. And both know that the Deep State runs on fake money and debt. In the end, they will raise the debt ceiling.

But there is many a slip 'twixt cup and lip, as Shakespeare put it.

The Senators who found it so hard to repeal Obamacare will find it even more disagreeable to raise the debt ceiling. They will want concessions.

Some will insist on protecting their Northern Virginia cronies' warfare scam. Others will want to throw a bone to the zombies in the welfare state.

It will be a spectacle worthy of WWE wraslin'. Posturing. Buffoonery. Threats. It's coming in September, and we can't wait to see it

And we offer a prediction: There will be a lot of ale spilled on the floor before the debt ceiling is raised. "Go long vol" is our advice.

Regards,