

**The U.S. government has knowingly created an enormous financial disaster that will soon reduce the standard of living for millions of Americans...**

# **America Betrayed**

*Why the next 12 months are certain to bring double-digit interest rates by spring 2005... \$5-per-gallon gas prices... plummeting home prices... and rampant bankruptcies as the U.S. financial markets finally pay for decades worth of government lies and betrayals.*

This is the disastrous final chapter in a story that began nearly 200 years ago: How the United States has 'sold out' its own financial destiny to foreign interests.

**INSIDE:** Learn what actions YOU can take -- quickly and easily -- to stay one step ahead of this 'government-sponsored' catastrophe...and position yourself for profits of up to 794% in the process...

Dear Friend:

Meet Mr. Sadakazu Tanigaki. You may not know his name...but you should.

After all, he holds the keys to your car...the deed to your house...and the power to control your financial future. And yet he lives 6,000 miles from the United States.

Just who is Sadakazu Tanigaki? Well for starters, he's not all that different from most of us. He turned 59 years old earlier this year...and he's a family man; he is married with two daughters.

*"Hello Dan, Thank you for the great advice. I bought my Dow Sept \$90 puts at \$1.40 and sold them for \$9.60 - a very substantial profit, thanks..."*

*-- Ian McFarlane*

So why, then, should you be so concerned about whether or not Mr. Tanigaki had a difficult commute...found out one of his children got into trouble at school...or encountered a rude waiter while having dinner?

Mr. Tanigaki, you see, is Japan's minister of finance...and that makes him a far greater authority over your future standard of living than any U.S. politician or federal official.

How is that possible, you ask?

It's simple -- three devastating betrayals by the U.S. government have led to a frightening financial disaster in which the economic fate of our nation is now controlled by foreign interests, primarily China and Japan.

And as a result, the standard of living enjoyed by millions of Americans is about to change...virtually overnight. In the next few minutes, I'll show you how these disastrous betrayals will lead to:

- Consumer outrage as gas prices skyrocket to over \$5 per gallon within the next eight months...
- A total collapse of the U.S. housing market that will wipe away over

\$2.5 trillion -- and directly impact the day-to-day life of nearly every American...

- Massive defaults and bankruptcies nationwide as interest rates soar into the double digits by spring 2005...
- And a collapse of the U.S. stock market that will rival 1987 -- as well as the final nail in the coffin for the U.S. dollar.

It's true -- our own government has blatantly sold its citizens out by borrowing and spending beyond its means, making promises it can't keep. Sadly, we have now reached a point where we've become a debtor nation that no longer has the ability to control our own economy for the well-being of our children.

*"Greenspan estimated that East Asian monetary authorities - mainly Japan and China - since 2002 had made extraordinary purchases of dollars, almost \$240 billion, to prevent their currencies from appreciating against the U.S. currency."*

-- Asia Times Online, March 20, 2004

In fact, our economic fate now lies solely in the hands of foreign nations -- ***Japan and China own more than 50% of U.S. government bonds. Our own government's irresponsibility has undermined our future.***

Because of our government's deliberate, disastrous actions, our financial future is controlled in large part by someone virtually unheard of in this country: Mr. Sadakazu Tanigaki.

**As frightening as it may sound, we could just be one Japanese traffic jam -- or one rough morning -- for Mr. Tanigaki from having our debt discarded on the open market in a matter of hours.**

**A simple rough afternoon -- for a man 6,000 miles away from this country -- could spark the beginning of a rapid, catastrophic decline in the financial well-being of nearly every American investor who fails to**

**prepare.**

Not only that...the clock is already ticking on the enormous bomb that is U.S. debt. That's because **over 35% of all U.S. Treasury debt has a maturity date of less than three years.**

Simply put, time is running out. And fast. Even if someone as powerful as Sadakazu Tanigaki declines to dump our debt on the market...the fact of the matter is we're living on borrowed time.

## **Who Owns America?**

**While the United States wasn't looking, someone bought America...right out from under us!**

Right now, foreign investors own an incredible \$7.3 trillion of U.S. assets. Meanwhile, the United States holds \$5.3 trillion of foreign assets. That means the United States is already \$2 trillion out of balance. That's 20% of the United States' annual gross domestic product!

Who is it that owns the financial rights to so much of America's assets? Who is it that owns the rights on all the IOUs Washington, and others have been writing to fund the Iraq war and the current 'recovery?'

Unbelievably, at least \$120 billion -- in U.S. Treasuries alone -- is owned by the Chinese! And another \$141 billion of Treasuries is owned by Japan. That's more than half of all foreign-owned U.S. government debt.

Either one could tell the United States to take a flying leap in a lake... and there's not much we could do, because if either decides to dump those huge holdings of U.S. debt, the U.S. economy is done for. (They also own a considerable amount of U.S. stocks. Corporate bonds-they're ALREADY begun dumping them!) The moment the sell signal comes, a bond market collapse... rising interest rates...even more dollar

devastation...and a crumbling stock market...are all but guaranteed. Protect yourself by reading my new FREE e-report, ***America Betrayed: Protect Yourself -- and Profit -- From the Disastrous Policies of the U.S. Government.***

In the next few moments, I'll tell you just how this enormous financial catastrophe was created. I'll tell you what's happening now...what will happen next...why disaster is absolutely unavoidable...and just what the impact will be for U.S. investors.

But most important, **I'll also tell you exactly what steps you need to take - today -- in order to avoid this disaster.**

*In fact, I'll go even further than that. I'll tell you about a few simple steps you can take -- in under five minutes -- that can position you for profits of up to 794% as this scenario reaches its final stages.*

This is an easy-to-follow strategy you won't find anywhere else today...yet it's as simple as just taking two easy steps.

The damage to the U.S. financial markets has already been done...it's only the consequences we're waiting for at this point. The outcome of this 'game' has already been determined, thanks to the U.S. government...and we all know that we have **fewer than 12 months** left to take action. That's why it's so important that investors take action **NOW** to protect their financial future.

It is because this matter is so urgent -- and the consequences of inaction so devastating -- I have arranged for you to receive this special report **FREE** of charge and without obligation. I'll tell you how you can get your copy in just a moment, but first I need to tell you...

## What Will Happen Next: How the U.S. Government Is About to Shatter the Financial Future of Millions of Americans

Allow me to introduce myself. My name is Daniel Denning, and I'm the editor in chief of *Strategic Investment*, the remarkably accurate financial advisory that has been helping investors profit during both up and down markets since 1984.

The period we're about to enter -- a direct result of the treasonous actions of our own government -- is likely to be as dire as any in our nation's financial history. What can investors expect over the next few months as the bubbles begin to burst...and our financial system begins to implode?

*"I ended up making four times my original investment. Just wish I had a few more of the contracts and waited a few days longer to cash out. But hey, who's complaining when the profit margin is 300%? I can easily say that I have made a ton of money this year in the stock market."*

*-- Mark Mansfield*

First...I need to tell you what has **already happened**. The news I bring you may be a bit unsettling...but it's absolutely necessary in order to understand the full impact of the disaster that looms.

The fiscal position of the United States is ***much worse*** than anyone suspects -- and this is the case at three levels: personal, corporate and federal.

- **Individual investors** are about to get clobbered. Rising interest rates -  
- caused primarily by our own government's betrayals -- will burst the enormous housing bubble that has created so much artificial wealth in our country. Imagine your neighbor's surprise when -- in just a matter

of days -- his home's value has fallen by more than 50%...his retirement account has plummeted thanks to a stock market collapse...and his interest payments have doubled, thanks to that adjustable-rate mortgage he used to refinance his home.

- **Corporate America** has already seen what can happen to debt-riddled companies in down cycles. The coming bear market in stocks -- which will take place soon after the housing market begins to collapse -- virtually guarantees that corporations will have to deal with higher borrowing costs...and lower profits. That means those corporations overloaded with debt -- and there are thousands -- will begin defaulting and be forced to shut their doors...If you thought the Enron 'scandal' was bad -- this scenario will be exponentially worse; imagine if a thousand Enrons went bankrupt overnight. Literally thousands of companies would be forced to close their doors, leaving hundreds of thousands of unsuspecting employees scrambling for jobs and unemployment benefits.
- At the **federal level** is the biggest bombshell of them all: the financial destruction of the U.S. dollar. As I'll explain in just a moment, the fact of the matter is that foreign interests now own more than 50% of U.S. treasuries. So the United States is -- for all practical purposes -- at the mercy of these nations.

*"Japan invested a record \$32 billion buying U.S. Treasury bonds in January, according to new figures from the U.S. Department of the Treasury... Reliance on foreign investors leaves the*

What will happen next is that these foreign nations -- particularly Japan and China -- will begin 'getting out' of the U.S. dollar. They may do so simply because they need to trade their financial reserves for 'real' assets...Or their bailing out on the U.S. dollar may come in response to some terrorist act that sends the oil market reeling.

*United States vulnerable to changes of policy in Japan, China or the UK, the main holders of US Treasuries."*

-- *The Times (UK)*, March 16, 2004

But no matter if it happens over the course of several months -- or in the span of just a few days -- it's going to happen: Foreign nations will soon begin dumping U.S. treasuries. That much is now certain...and the results will be disastrous.

Interest rates will rise at a much faster pace than anyone imagined. Homeowners -- especially those who have grown used to borrowing against their home -- will lose their shirts.

And the U.S. stock market will take a nose dive of historic proportions.

But, again, here's the thing to remember about the importance -- and immediacy -- of the problem in the United States right now: **Over 35% of U.S. Treasury debt has a maturity date of less than one year.**

That means any rise in interest rates makes it almost instantly more expensive for the government to borrow money. Bottom line: The interest expense of the federal budget -- already more than 20% -- is about to skyrocket.

As I said earlier...the financial future for the United States is anything but bright.

Higher interest rates can be expected virtually any day...effectively shutting off the credit supply for thousands of American homeowners who have become addicted to the refinancing game of the past few years.

You might think that the upcoming presidential election might help prevent a full-blown catastrophe. But the truth is the election comes at the worst possible time for the U.S. investor.



That's because no matter who ultimately wins office in November, their first year will likely be spent administering a much-needed dose of 'medicine' to the federal deficit...and that means only more bad news for investors in 2005.

So just how did we wind up in this nightmare scenario? Who is to blame and what can be done about it?

I'd like to send you the answers to those questions -- along with specific, actionable investment advice with triple-digit profit potential -- in my new FREE e-report, *America Betrayed*. Find out at the end of this letter how to get your copy today. In the meantime, let me tell you about...

## **An Act of Treason: How the U.S. Government Sold Out its Own Citizens...and for What Purpose?**

Never before has an American government been as irresponsible with your money as this one now. And the Federal Reserve done more to undermine your standard of living than this Federal Reserve has.

The end result of this **betrayal of the American investor** is that the assets of this great nation have been secretly -- and deliberately -- squandered away by reckless politicians. The vision shared for this nation by men such as Washington, Jefferson and Lincoln has been sold down the river.

And for what purpose? What exactly has this unchecked spending bought for the average American?

Absolutely nothing.

The government has borrowed beyond its means and spent even further...all simply to support the spending urges of politicians concerned only with their own well-being. It's the ultimate betrayal of American trust: Our government has made promises it can't keep -- and probably never intended to.

Now, of course, this is nothing new for governments. In fact, the U.S. government has been exploding the deficit at its discretion for nearly 200 years. (See box below.)

### The Cost of War to the American Taxpayer

Just how costly might the Bush administration's "War on Terror" be to the American taxpayer? A look back through history shows that each time the nation has gone to war, the federal deficit has exploded. With projections from Bush's own Cabinet members suggesting that this War on Terror could last "decades"...it becomes clear that the cost could be staggering to the U.S. homeowner.

- President James Madison inherited a federal deficit of \$57 million when he took office in 1809. By 1816 -- due largely to increased borrowing to fund the War of 1812 - that deficit stood at **\$127 million**. It would take the nation 20 years to bring that deficit back down to 1809 levels again.
- President James K. Polk inherited a debt of just \$16 million when he became President in 1845. Polk's desire to expand the nation led to the Mexican War in 1846-47...and left the nation with a **\$63 million** debt by 1848.
- The Civil War exploded the federal deficit, with the nation's debt level rising from **\$75 million in March 1861 to \$2.8 billion by August 1865**.
- During President Woodrow Wilson's administration, the United States entered into World War I. Beginning in April 1917, the federal **deficit rose from \$3 billion to \$26 billion** in a period of just 24 months.
- World War II saw the deficit increase from **\$72 billion** (a figure reached primarily due to Roosevelt's New Deal policies) to **\$260 billion** by the time it

had ended.

- The Cold War took an enormous toll on the deficit as well, rising to a staggering **\$2.7 trillion** by the time Ronald Reagan left office in 1988.
- The federal deficit currently stands at **\$6.9 trillion** (as of 1/1/04.) Given the enormous cost of the continuing efforts in Iraq - as well as the "War on Terror" as a whole -- it's likely that the U.S. federal deficit could eclipse the \$10 trillion mark before the end of 2008.

(Source: H.A. Scott Trask . Perpetual Debt: From the British Empire to the American Hegemon; January 27, 2004 )

But the difference this time is that the Fed has made borrowing money and using leverage so cheap that there is virtually no sense of risk in the market. No risk of taking on debt. No risk of buying too high. ***And absolutely no sense of risk that the whole financial economy might soon fall apart.***

**Simply put, the treasonous actions of the United States government have placed this nation on the brink of financial disaster. How did we get in this position? Three specific 'sellouts' of the American investor -- caused by reckless policymaking of historic proportions -- have threatened to place all of us in harm's way...**

*read on*