

## **Government "Sellout" #1: The U.S. government has taken the goodwill of the rest of the world for granted.**

America - as I pointed out before - has become a debtor nation. It depends on the rest of the world investing in America to keep the value of the dollar up. But there's one enormous problem with this idea:

**Foreign nations now can - and will - fight domestic inflation by selling U.S. bonds. You see, the goodwill of foreign nations is certainly NOT something that should be taken for granted...especially today.**

And yet in spite of this seemingly obvious fact...the U.S. government has sat idly by while nations like Japan and China have amassed more than 50% of outstanding U.S. treasuries.

That gives Japan and China a **tremendous** amount of leverage over the U.S. economy. One hiccup in the Chinese economy - or one rough morning for Mr. Tanigaki - and the dollar could sink to new lows in the blink of an eye.

**Yet our government - shockingly - continues to aid these foreign nations by issuing more and more debt every day.**

### **Backed Into a Corner - With Our Own Treasury Notes!**

As you can see in this chart, America's massive trade deficit with China has already passed a gap of over \$120 billion. That means we actually BUY \$120 billion more in goods from China than we manage to SELL to them. A household can't get rich...or stay rich - if it spends more than it takes in. Neither can a nation. Yet no matter what

we try to do to stop the gap from growing...weaken our dollars, create trade tariffs, perfect production and slash costs...America just can't keep up. The trade deficit is now exploding at a rate of \$1.5 billion per day. Putting that in perspective...**that means we spend an additional \$1 million on Chinese products... every single passing minute!**

But that's not the worst part. Guess what China is doing with all that money?

- First, the money we send China gets reinvested in the PLA, China's massive military. (New reports say China has just built low-profile military bases on several disputed reefs in the Philippines!)
- Second, it goes back into funding more huge Chinese factories. With 200 million Chinese looking for jobs, China needs to build places for them to work! It also needs to buy HUGE stockpiles of raw resources to keep the factories running.
- Third, and most dangerous of all, the Chinese government uses a lot of their extra exporting income...to pile up an absolutely SICK number of U.S. Treasury bonds!

That's right. China spends nearly **\$7.8 million an hour...or \$187 million a day**...snapping up US Treasuries and dollars. **The movers and shakers in China now hold the United States hostage to over \$120 billion in Treasuries!**

Now ask yourself: If it's obvious that U.S. interest rates have nowhere to go but up...if it's obvious the U.S. dollar has nowhere to go but down...and if it's obvious that Washington right now is literally spending America into oblivion...

**Why would the Chinese government stock so much faith in U.S. treasuries?**

Simple. It's not a vote in America's future at all. Instead, it's Beijing's way of backing America into a corner! Think about it. The Feb. 5, 2004, *Wall Street Journal* had already reported that all Asian countries -- China and Japan included - hold an eye-popping **\$1.9 TRILLION** in U.S. foreign reserves - are starting to dump U.S. debt. Korea and Thailand dumping is one thing. But when a massive holder like China stops buying U.S. debt and starts dumping, it's a much, MUCH bigger deal. Pressure

on U.S. bond yields will skyrocket. Other foreign investors will run from dollar-priced securities in a panic. Long-term interest rates will jump. **And U.S. consumers, businesses, and investors will get crushed in the jaws of a very powerful "Treasury Trap"!**

It won't take more than a whisper - "sell." And that's your signal. I promised earlier to show you how to protect yourself from exactly this kind of disaster. And that's precisely what you'll discover in your **FREE** e-mail report ***America Betrayed: Protect Yourself - and Profit - From the Disastrous Policies of the U.S. Government.***

Why does our government insist on raising more cash - by selling an increasing number of bonds every day? Can it really be just to finance a catastrophic spending addiction - one with a decades-old history - that has gone way beyond the rehabilitation stage?

In my **FREE** report, ***America Betrayed: Protect Yourself - and Profit - From the Disastrous Policies of the U.S. Government***, I'll tell you exactly how we were put in this position...and what will happen next. What's more, I'll also tell you precisely what you need to do to protect yourself from what is certain to be a collapse of historic proportions. In the meantime, though, we also must remember that this is just the first of a trio of betrayals committed against U.S. investors by their own government...

**Government "Sellout" #2: It's not just our debt - it's also your neighbor's job - that has been given away behind our backs!**

Over the years, our government has preached to you the benefits of globalization, namely lower prices and more choices. It all sounded great.

But what they forgot to mention is that true globalization means a

permanent - and distinctly negative - change in the structure of the American labor market.

You see, whether U.S. policymakers understand - or want you to believe - it or not, this is how free markets work. Production moves to the lowest-cost centers. Which, in today's world, means...**production moves out of the United States.**

Chinese workers average 61 cents an hour. U.S. factory workers average \$16 an hour. In other words, U.S. workers make more in *two weeks* than most Chinese laborers make in a *whole year!*

It sounds impossible, but it's true: American jobs are being lost at a blinding pace to those economies able to supply labor for far less than the United States can. And what's most frightening is that these foreign nations on the receiving end of what were once U.S. jobs ***are the very same nations now in complete control of the U.S. economy.***

This enormous - and potentially devastating - trend is already much too far along to be stopped by the current administration. The damage has already been done.

But there is a way for investors to minimize their exposure to this problem...and to protect their hard-earned assets in the process. I spell out the specific steps you can take to do just that in my new FREE report, ***America Betrayed.*** In just a moment I'll tell you how you can get your FREE copy today. But first, let's take a look at the third - and final - colossal sellout of the U.S. investor by his own government...

**Government "Sellout" #3: The Crippling of the American consumer...**

The third high-level "sellout" of the U.S. investor is - without question - the greatest fleecing of them all.

For several years now, the Fed has gone to great lengths to reflate the U.S. economy through low interest rates. And it is now apparent that that effort has failed miserably.

Alan Greenspan - desperate to keep the bubble from bursting - is at this very moment out of bullets...and he's reaching for a new gun.

**Think about it. Gas prices are high and rising. And long-term interest rates are also rising, increasing the amount consumers have to pay on their adjustable-rate mortgages or credit cards.**

**Now add to those two forces rising consumer prices. What is a consumer to do? If his wages aren't rising, can he afford higher prices, along with already high energy costs and debt service costs?**

**Of course he can't.**

In other words, everything is going up in price. But consumers can't afford to pay those prices. It is nothing less than the end of the consumption-driven American model - the model the rest of the world has tolerated because Americans have been buying on credit. The Great Credit Crunch of 2004 has arrived...

So now - as consumers realize they can't afford higher prices - spending will decrease drastically.

The American consumer has been priced out of the market - and while he wasn't looking, not only did his pay fail to increase...his friends and neighbors all saw their jobs shipped overseas.

The Fed has made it possible for a huge spike in prices, which - oh, by the way - has effectively crippled the American consumer. The expected response to skyrocketing inflation would be to raise rates. But if - and when - rates begin to rise, consumers will find themselves in even worse shape as their primary investment - their home - will be threatened.

## Calling the "Big Trends": The Key to Successful Investing

By William Bonner

Dear Reader,

For the past two decades, *Strategic Investment* has helped individuals like you protect and grow their assets by doing one thing better than anyone else in the industry: spotting the "Big Trend."

That's because with every historical milestone - such as the fall of the Berlin Wall, the end of the Cold War or the coming U.S. housing market collapse - the rules of the investment game completely change. For over 19 years here at *Strategic Investment*, our analysis has started with identifying the big trend...and then identifying specific investment opportunities designed to take advantage of the coming changes.

During our two decades of success, we've had the privilege of working with - and profiting from - some of the brightest minds in the investment universe. And Dan Denning - the person I handpicked to take the reins of *Strategic Investment* just four years ago - has produced as impressive a track record in as short a period of time as I have ever seen.

During the past four years, Dan has produced gains such as:

- 89% and 88% respectively in a pair of stocks - one a defense stock and the other a gold play - closed out on the same day!

- An average of 17.9% returns on the 11 closed positions in the *SI* portfolio in 2003
- 171% profits - in just 3½ months - from an option trade closed last summer...
- Incredible short-term profit of 77% in just eight days from another summer 2003 recommendation...and 65% in just 21 days from another...

Dan started his career the old-fashioned way - on the ground floor. And in a very short period of time, Dan has risen from that ground floor to the top of one of the world's most prestigious investment advisories. Each and every day, Dan has unlimited access to leading politicians, business figures, financiers, investment bankers, journalists - almost anyone in a position of authority. And Dan uses this access to identify the Big Trends most important to *Strategic Investment* readers...along with specific advice on how to profit.

Dan's latest report -*America Betrayed: Protect Yourself -and Profit -From the Disastrous Policies of the U.S. Government* - is without question the most important report of its kind to come along in many, many years. I urge you to sign up today to receive your copy FREE of charge so you can see exactly what I mean.

## The Enormous U.S. Deficit Has Mortally Wounded Our Economy: Here's What YOU Should Do to Protect Yourself

As you're well aware by now, the picture I'm painting is not at all a pretty one. But the wheels are already in motion as this nightmare scenario - one that was literally years in the making - reaches its disastrous conclusion.

*"Our children will not see the American dream because of this debt that somebody somewhere*

The truth is there is really NO WAY OUT of this horrific situation. We cannot expect our government to slash spending - particularly in a time of war.

*dropped on us."*

- H. Ross Perot

And we can't hope for our own economy to bail us out. The U.S. government will never admit it publicly...but the enormous deficit has actually taken the legs out from under the country, thus eliminating any chance that an economic surge would solve the problem.

What will happen to the American economy when this happens? The answers, as I said before, are not pretty. A dollar sell-off is coming. Standards of living are going to fall. The American government will be just another government that couldn't pay its bills. And millions of Americans will pay dearly for their government's colossal mistakes.

But you're sure to DWARF those gains when you take advantage of the easy-to-use double-action strategy in your FREE copy of my newest special report, ***America Betrayed: Protect Yourself - and Profit - From the Disastrous Policies of the U.S. Government.***

The recommendation I reveal in this new report could not be simpler. In just two easy steps you will not only protect yourself from the enormous danger created by our government's disastrous policies...but you'll also position yourself to make...

## **794% Profits While Protecting Your Wealth**

It used to be that the only way you could hedge against a currency was to take a huge chunk of cash down to the bank and throw it all into the foreign currency market.

But it's not like that anymore. You don't need a huge pile of cash to make a fortune - as George Soros did in 1992, when he made a billion dollars in a single day on a crash of the British pound. And you don't need to buy the actual currency. You can make a similar kind of hedge...get a much bigger



percentage gain...and do it all with the limited risk benefits of a unique strategy I've developed.

In your FREE copy of ***America Betrayed: Protect Yourself - and Profit - From the Disastrous Policies of the U.S. Government***, I show you how. It's as easy as buying a share of a stock. You can get in for only about \$8 a share. And all it takes is a phone call to set it up. With this one simple pick, you could make at least eight times your money...

## ...Plus up to 400% on the Coming Bond Collapse!

OK, now let's look at how you can protect yourself from a bond market collapse. Remember, the Chinese alone hold an estimated \$120 billion in U.S. Treasurys. When they stop buying and start selling, it's crash time for the U.S. bond market.

To keep Treasurys attractive, interest rates have to go up. When interest rates go up, issued bonds with lower yields look less valuable. And the bond market goes up in flames.

That's bad news for bondholders. But it's good news for you, if you own the bond-market hedge I lay out for you in ***America Betrayed: Protect Yourself - and Profit - From the Disastrous Policies of the U.S. Government***. A special group of my readers and I have done this twice in the past few months...

### Triple-Digit Gains While Protecting Your Wealth

*Strategic Investment* readers have become quite familiar with making short- and long-term profits of 100% or more while profiting from our unique - and extraordinarily accurate - insights into "big picture" events, just like the end of the U.S. consumption bubble. Here are just a few examples of our most recent success stories...

- 100% gains - in just one month - with Multicorp...
- 92% gains from Southwest Gold, again in under 30 days...
- 249% gains on Philip Morris in just four months...
- 87.6% on Ducommoun...

In just eight days, we were able to lock in 50%...in another four days, we socked away an extra 27%... But this is a bigger opportunity, with a slightly longer term. I expect you to make up to 400% or more just on this one pick.

- 45% on AngloGold...
- 65% twice on Dow Diamonds puts...
- 114% on Euro calls...
- And another 171% on DJX puts...

My ***Strategic Investment*** readers made the same kinds of exponential profits when I showed them how to buy puts on the Dow. One reader wrote in to say thanks for a **586% return** on one of my recommendations:

*"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..."* - I. McFarlane

Another, who quickly made back his investment and is now piling up profits, writes:

*"Dan, I ended up making four times my original investment...who's complaining when the profit margin is 300%!"* - M. Mansfield

**When should you jump on this? As I said earlier, the clock is already ticking...and with more than 35% of U.S. treasurys due to mature in less than a year, time is almost up! I'll show you exactly how to set up all this low-risk, high-reward trade in your FREE report, *America Betrayed*.**

Accessing your FREE copy of ***America Betrayed*** is actually quite simple. In fact, you can do so - today - with just one click of your mouse.

But there's actually much more to this special, no-risk offer than just this powerful new report. You see, in addition to our ***America Betrayed*** report,

my research team and I have also prepared several other reports - each detailing specific financial situations and how you should profit.

As *Strategic Investment* subscribers know, in each of our reports we examine situations that present a unique investment opportunity...and we give you everything you need to know in order to take full advantage.

In order to make absolutely certain that you do everything you can to build and protect your wealth over the coming months, I am prepared to give you two **additional reports**, also absolutely FREE of charge.

## Make 10 Times Your Money in the Inevitable the Resource Explosion of 2004-2005

*"Many economists believe that the Chinese currency is undervalued by as much as 40%, giving the country an unfair advantage in being able to underprice competitors in international markets."*

- *The Washington Times*,  
December 10, 2003

Chinese demand for commodities will continue to soar in the coming years, as their consumption levels go off the charts. Their continuous hunger for all natural resources will fuel the commodities bull market - possibly for decades to come.

Although China is already buying up record levels of all types of natural resources, two stand out as having the biggest profit potential: oil and gold. China's oil demand is already

double what it was just seven years ago - and that demand is expected to double again within the next 10 years. And the recent deregulation of the Chinese gold market has significantly impacted the global gold market, with more changes to come.

In yet another brand-new special report - *Make 10 Times Your Money in the*

***Inevitable Resource Explosion of 2004-2005*** - you'll learn the specifics of seven up-to-the-minute recommendations designed to position you perfectly to take advantage of the coming leaps in commodity prices.

## **Walk Away With up to 500% Gains From Three "Precision Guided Investments"**

In every bull market, there's at least one "fashionable" class of investment everyone talks about.

And this time is no exception...but in this case, we've actually figured out a way to take advantage of this current "fad" in a way no one else has. In fact, you could bring in profits to the tune of 500%.

*"Thanks for outstanding... courageous insight...I hope you'll continue to share it with your readers!"*

- R. Forkner

I like to refer to the investments that result from this particularly strategy as "Precision Guided Investments." Why? It's easier than ever before for you to make one decision and instantly be long or short a whole sector, an index, a country or an asset class. You can have a simple investment idea, a big idea even, and **invest in it with precision** - getting the most bang for your buck if you're right.

By employing our highly successful strategy for incorporating these unique investments into your portfolio, you can take advantage of opportunities without the added risk of high P E ratios and enormous debt. Simply put, I'd rather be right about where to invest at the moment than worry about some of the more dangerous details. And this strategy is paying off handsomely...

**Here's the best news: You can learn about each of these "Precision**

**Guided Investments" - FREE of charge - in my new special report, *How to Make 500% or More Using "Precision-Guided Investments."* I'll send you this report FREE - along with your other free reports - when you sign up for a no-risk subscription to *Strategic Investment*.**

## ***Strategic Investment: A History of Predicting History***

Right from the beginning - over 19 years ago - *Strategic Investment* has had a history of getting the world's most profitable trends right... and helping investors protect their money...and get richer!

- We called the fall of the Berlin Wall in 1989.
- We called the crash of the Japanese economy in 1990.
- We told investors the 1990 Gulf War would be short. It lasted 43 days.
- We said to get into Argentina when others ran - the market tripled.
- We called the same British pound devaluation Soros did in 1992.
- We kept investors out of the 1987 crash.

In 2003 alone, we hit with...

- A 113% gain on September \$0.86 Euro FX calls
- A 65% gain on Dow Diamonds June '03 \$76 puts
- A 65% gain on Dow Diamonds June '03 \$88 puts
- Our readers have socked away 28% on Allied Defense
- We realized 89% in ASA Ltd, a South African gold fund
- Plus, 38% on our iShares Japan Index Fund
- 41% on Curtiss-Wright, a mid-cap defense stock
- Readers locked in 87.6% on Ducommun Inc.
- 29% gains on iShares Emerging Markets Index Fund
- Another 13% so far in the Hong Kong Index Fund

- We made 74 % on Glamis Gold, and we're up over 37% on Newmont Mining
- There is a comfortable 18% so far accumulated in Walgreen Co.
- Up 37% on the Prudent Bear Safe Harbor Fund

Of course, we don't guarantee future profits. As with all investments, there are risks, and losses can and do occur.

No question, the "Big Picture" is the way to invest if you want to build real wealth...by spotting Big Trends before the rest...and raking in very substantial profits ahead of the crowd! Join us in our next long round of profits.

## Try Strategic Investment for 90 Days...Risk-Free

As you can see, *Strategic Investment* has a long - and profitable - history of identifying those trends that are most important to individual investors. For nearly two decades, we've helped investors not only avoid dangerous situations...we've helped them realize enormous profits along the way.

This particular scenario, however - the absolute betrayal of the U.S. investor by his own government - is unlike any other I've seen...and it has the potential to impact a far greater number of people than any of the trends we've seen in the past 20 years.

*"Gentlemen, I've been a life member for a number of years...I'm also a financial planner...I read everything you print and use it in making decisions for myself and my clients. Thank you for your excellent information..."*

- Thomas T. Slaughter

Millions of Americans don't even understand the danger - they do not even know that disaster lies ahead. Imagine their surprise when - virtually overnight - their standard of living has been reduced drastically. That same

trip to the grocery store that was routine just a few weeks ago now delivers a stunning blow to the family bank account. Imagine their horror when they realize it was their own government that sold them out.

That's why I feel it's so important you read my new report, ***America Betrayed: Protect Yourself - and Profit - From the Disastrous Policies of the U.S. Government***, as soon as possible. In fact, I'm convinced this matter is so urgent that I've arranged to rush you a copy by e-mail right away - FREE of charge and with no obligation whatsoever.

Accessing your FREE copy of this report couldn't be simpler. In fact, you can do so with just the click of your mouse.

But there's actually more to this no-risk offer than just one FREE report. You see, in addition to the report on profiting from the disastrous policies of our government, I have also made arrangements for you to receive two additional reports. Each of these reports identifies specific profit opportunities that can be acted on immediately...and each report also provides the step-by-step instructions needed to do just that.

Each of these reports is valued at \$80...and has the potential to help you realize double- or triple-digit profits in the coming months:

- **FREE BONUS #1: *America Betrayed: Protect Yourself - and Profit - From the Disastrous Policies of the U.S. Government***
- **FREE BONUS #2: *How to Make 500% or More Using "Precision Guided Investments"***
- **FREE BONUS #3: *Make 10 Times Your Money in the Inevitable Resource Explosion of 2004-2005***

## **A 100% Risk-Free Proposition**

As I said before, this offer is 100% RISK-FREE. What that means is that if during the first two months of your subscription - FOR ANY REASON - you feel like my service is not for you, you may cancel anytime, no questions asked, and you'll receive an immediate refund of every penny you paid.

**Three special reports - including *America Betrayed*, which provides FOUR *immediate* recommendations for you to act on right away - are yours FREE for just a \$99 commitment...and there is absolutely no risk to you whatsoever. Just click below now!**

Why am I giving away over \$415 worth of value - all with no obligation - for a modest \$99?

This situation is so critical to the short-term well-being of U.S. investors - and is so time-sensitive - that a FREE report is the most effective way to get the message out to as many investors as possible.

What's more, I believe so strongly in the value of my service - and the likelihood that you will profit handsomely from my recommendations - that I do not wish to keep your money if you are less than satisfied in any way.

As great as this offer is, however, you must act TODAY if you want to make absolutely certain that your wealth is protected. The threat to the U.S. investors as a result of our government's mistakes is very real. And as I've said throughout this letter, that presents a clear danger to those who are not prepared.

This impending scenario however, also, presents a tremendous opportunity for you to not only protect your financial well-being...but also realize enormous profits along the way.



I urge you to join me today for what should prove to be a most successful journey.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Denning". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel Denning  
Senior Editor, *Strategic Investment*

P.S. Sign up today and receive immediate access to your three FREE special reports - you can literally call your broker today and take the steps necessary to protect yourself - and profit handsomely - from the U.S. government - monumental betrayal of the U.S. investor. **Just click below now!**

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