



November 2012

Impending Tyranny

Dear Friend of Radio Liberty,

On November 16, while millions of Americans were making a mad dash to the nearest junk food outlet to stock up on soon-to-be-extinct Twinkies, the food stamp program – formally called the Electronic Benefit Transfer (EBT) system – suddenly went offline. A glitch at JP Morgan Chase, which processes the electronic transactions for the program – prevented millions of households from using their government-provided debit cards for about six hours. (1)

As of 2010, one in five American households was dependent on food stamps. (2) In recent years, the ranks of food stamp users have expanded to include a growing number of college students, who are immersed in a culture of government dependency before they even begin families. (3) In similar fashion, a growing number of retirement-age Americans are turning to food stamps as inflation erodes the value of their savings and pensions. (4)

In an exceptionally brazen act of official information management, the Obama administration delayed releasing information on food stamp usage until the Friday following the presidential election. The Department of Agriculture, which manages the Supplemental Nutrition Assistance Program (SNAP), generally releases information of food stamp participation at the end of the month, or at the latest the first or second day of a new month. In this case, the administration waited until November 9 – more than a week after the expected date – to disclose data for August. As of that month, there were more than 47 million Americans on food stamps, a new record. The rolls of food stamp recipients had been increased by 420,947 – the better part of a half-million people – from July to August. (5)

Timely disclosure of those statistics could well have had a material impact on the election. It certainly would have undermined the Obama administration's pretense that the economy is in recovery. The same may be true of the demise of the Hostess Company, an 82-year-old corporate fixture that produced a wide array of baked goods – not just borderline toxic

confections like Twinkies, Ding-Dongs, cupcakes, and fruit pies, but also marginally more nutritious products like Wonder Bread. While it's true that making a diet out of such products is unhealthy, millions of Americans had come to depend on the ready availability of inexpensive bread and other baked goods – and many of those people are likewise dependent on EBT cards to buy those products in volume. On Friday, the same day that the EBT system went down, hundreds of Hostess and Wonder Bread outlets went out of business.

The experience of your correspondent's family on that day is, in some ways, quite typical. When I read the headlines about the Hostess company's bankruptcy early that Friday morning, my first thought was that I would have to make a quick trip from our home in Payette, Idaho, to Ontario, Oregon, (which is just across the Snake River) to visit the local Eddy's Bread outlet store, which sold surplus bread at steep discounts. (Note carefully the use of the past tense in that sentence.) The same outlet offered the entire variety of Hostess products, as well as very reasonably priced soup mixes, canned jams and jellies, peanut butter, and other pantry necessities for a large household of very limited means.

By the time I was able to visit the store in the mid-afternoon, the shelves had been denuded of Hostess products, except for a few forlorn packages of donuts. One family friend from church was at the site with a grandson, filling his shopping cart with anything he could find. Several others materialized very quickly, and soon the parking lot was full. The frantic rush wasn't triggered by the sudden shortage of an indispensable staple food; it was driven by public demand for an unhealthy but popular junk food item that would soon disappear from the market.

Within a few hours, the shelves of this store were picked clean. The personable middle-aged lady who worked the register looked stunned, shaken, and a little stricken; she had just learned that morning that Friday, November 16, would be her last day at work – and that the outlet store, like practically every other one in Oregon and Idaho, would be shut down no later than the following Monday.

Nationwide, about 18,500 Hostess employees suddenly found themselves without work. In announcing the company's bankruptcy, Hostess CEO Gregory F. Rayburn explained that the company doesn't have the financial means to withstand an ongoing nationwide strike. (6)

For most consumers, the sudden disappearance of Hostess is an inconvenience. For those soon to be unemployed, it's a terrible blow – especially in light of the nearness of Thanksgiving and Christmas. The incident also illustrates how quickly our food supply can be radically altered owing to sudden and unexpected developments over which we have no control. And the convergence of the two events on November 16 produced a portent for serious social turmoil we are likely to experience in the coming year.

Even without glitches in the EBT system – or, even more ominously, cyber-sabotage that knocks the system off-line – many food stamp users will experience benefit reductions early

next year. In Ohio, for example, nearly 900,000 residents who use food stamps will see their monthly benefits reduced by \$50. These reductions will be based on the standard utility allowance, which decreased because of a mild winter and a drop in the price of natural gas. Once again, the amount of the reduction may seem trivial – but it will have an impact, especially after anticipated price hikes for food and utilities. (7)

The middle class received a lot of lip service during the recent presidential election, but practically nothing was said about the growing ranks of the working poor. *The Economist* magazine points out that roughly 15 percent of the U.S. population – about 46 million people – live below the poverty line. Many more have family incomes above the statistical poverty line but cannot meet their basic monthly needs. Even more disturbingly, most of the low-skill, high-wage manufacturing jobs have disappeared. What this means is that we're not just dealing with self-replicating, multi-generational welfare dependency – a condition that was deliberately engineered by the architects of the welfare state – but also a large and growing population of people able and eager to work who simply cannot find adequate employment.

Our ripening economic misery offers a fertile field for those seeking to sow revolutionary violence. Retiring Rep. Ron Paul has warned for decades that the destruction of the dollar and the accumulation of debt would eventually result in large-scale social upheaval and political tyranny. That monitory chorus has been taken up by Louisiana Republican Congressman, John Fleming, who warns that the U.S. is headed for social chaos of the kind that has enveloped Greece and other economically distressed European countries. While promoting official austerity in Washington, Fleming is also urging his constituents to pay down debt, avoid credit cards, and to limit their personal economic vulnerability. (8) This is eminently wise advice. However, too many Americans – largely as a result of developments over which they have little if any control – are in such straitened financial circumstances that they can't act on it.

The U.S. government is scheduled to arrive at the so-called “fiscal cliff” on January 1, when the Bush tax cuts expire and mandatory budget sequestration kicks in. At the same time, the Federal Deposit Insurance Corporation will stop offering 100 percent insurance on all bank deposits, and re-institute the \$250,000 deposit insurance limit.

Some analysts believe that this will precipitate a bank run similar to – but larger than – the panics that have occurred in economically distressed European countries. About 85-90 percent of the roughly \$1.6 trillion in aggregate bank deposits are held in a half-dozen “too big to fail” establishment banks. Not surprisingly, a significant and growing percentage of the population is withdrawing from the banking system entirely – either as a result of a life-upending financial upheaval, or out of understandable concerns over the viability of the system. (9) This is a de facto bank run, albeit one almost entirely ignored by the media.

An international bank run of a different kind is slowly gathering momentum. Following the example of Germany – Switzerland, the Netherlands, and Ecuador have demanded a full visual audit of their national gold holdings in the New York Federal Reserve Bank. Ecuador has also called for repatriation of its gold. (10)

Something very similar happened in 1965, when French leader Charles de Gaulle sent a French naval vessel to New York to retrieve \$150 million in gold held in U.S. bank vaults. De Gaulle, explains Charles Goyette, author of *The Dollar Meltdown*, “realized the United States was running an international con. It had promised that holders of U.S. dollars would always be able to redeem them for gold at the official rate of \$35 an ounce. But like someone writing bad checks, it was clear that the U.S. was printing more dollars than it could possible redeem at that rate.”

This was the first pebble of an avalanche. Other national leaders soon followed France’s example. On a single day in March 1971, 400 tons of gold were removed from the London Gold Pool, which caused that international exchange mechanism to shut down. A few months later, in August 1971, Nixon decisively severed the last remaining links between the dollar and gold, thereby making the Federal Reserve note a pure fiat currency. (11)

Goyette predicts that Germany’s demand for a gold audit will lead to a similar development very soon. What will happen if we have a simultaneous run on the banks and the international equivalent – a run on the sovereign gold deposits held by the Federal Reserve? The result would almost certainly be unprecedented, multi-layered economic ugliness – and Americans are likely to learn, very painfully, the depth of our carefully cultivated dependency on a government run by people who despise us.

In his recent valedictory speech in Congress, Rep. Ron Paul, with characteristic candor, summarized our predicament:

“The wealth we see today is based on debt and a foolish willingness on the part of foreigners to take our dollars for goods and services. They then loan them back to us to perpetuate our debt system. It’s amazing that it has worked for this long but the impasse in Washington, in solving our problems indicate that many are starting to understand the seriousness of the world-wide debt crisis and the dangers we face. The longer this process continues the harsher the outcome will be.

Many are now acknowledging that a financial crisis looms but few understand it’s, in reality, a moral crisis. It’s the moral crisis that has allowed our liberties to be undermined and permits the exponential growth of illegal government power. Without a clear understanding of the nature of the crisis it will be difficult to prevent a steady march toward tyranny and the poverty that will accompany it.” (12)

Over the past decade, the “steady march toward tyranny” described by Dr. Paul has certainly accelerated. In the next year it’s likely to become a full-out sprint.

Many Americans disgusted with the outcome of the presidential election bemoaned the fact that Barack Obama and the party he leads benefit from a large and expanding population of welfare dependents. This is certainly true: America has perversely chosen to vindicate Frederic Bastiat's warning that government unleashed from law becomes a system of mutual plunder in which everybody seeks to live at each other's expense. Those who presume to rule us revel in our dependency and seek to exploit every opportunity to reduce people to a state of helplessness. The official reaction to Hurricane Sandy is replete with illustrations of this kind of malicious opportunism.

Health and nutrition writer Mike Adams suggests that the November 16 EBT outage may have been a "beta test" for an engineered crisis.

Eventually – not in the long-term, mind you, but within the foreseeable future – hyperinflation will develop, and the value of all "entitlements" will evaporate. This includes EBT/SNAP benefits on which tens of millions of households rely. On the day the EBT cards are shut off, Adams warns, "there will be mass riots of EBT card recipients who are suddenly thrust into an emergency" – one for which they are neither physically nor psychologically prepared.

To understand how this will work, cast your eyes – if you can stand it – to the Hurricane Sandy-ravaged sections of New York and New Jersey, where people who had considered themselves middle class have been reduced to living standards akin to those of Haiti. Debit cards don't work; bank withdrawals are limited; electricity is scarce and unreliable; gasoline is being rationed; looting is permitted, while police continue to issue tickets – and Governor Chris Christie, who considered it appropriate to mug and preen on "Saturday Night Live" while New Jersey residents shiver and starve, warns that tax increases are coming.

This is the aftermath of a natural disaster that hit middle-class and upper-middle class neighborhoods. What would happen if an engineered nation-wide catastrophe were to occur – say, the sabotage of the EBT system?

As Adams observes, "shutting off the EBT cards is actually one way to initiate a false flag event in America. It would work like this:

- 1) Purposely shut off all EBT cards. (Takes just two seconds at JP Morgan.)
- 2) Blame it on a cyber terrorist attack and use the crisis to institute harsh new police state controls over the internet. ("Never let a good crisis go to waste...")
- 3) Allow the "EBT riots" to unfold. Keep the National Guard away for long enough to let things get out of control and have scary footage broadcast on the evening news.

4) Once things are bad enough, announce Martial Law and bring in the troops to turn America's streets into a Nazi-style police state surveillance and enforcement system, complete with TSA-run checkpoints on all major roads.

What's required to make this happen? Nothing more than turning off the EBT cards for 72 hours. That's it! It's just a single change to a single line of code at JP Morgan Chase, and it's mission accomplished for the globalists."

"Yesterday's EBT outage, in fact, may have been *a practice run* for the real thing," wrote Adams the day after the November 16 JP Morgan "glitch." "When the globalists want riots to unfold, they now have the tool to make it happen." (13)

There is another possibility for official mischief:

In early November, Barack Obama signed a secret national security directive dealing with "cyber-security." (14) The advertised purpose of that executive order is to provide guidelines for military action to deal with cyber-attacks. Beyond that broad outline, practically nothing is known about the secret directive – but there are some plausible and distressing possibilities.

Attorneys Amie Stepanovich and Ginger McCall of the Electronic Privacy Information Center contend that the cyber-security order is an executive decree – enacted without congressional consent – that could enable "military deployment within the United States" in order to vet and secure key information nodes. (15) One of the scant details provided by the *Washington Post* article was that the order will help "finalize new rules of engagement that would guide commanders when and how the military can go outside government networks to prevent a cyber-attack that could cause significant destruction or casualties."

As Bastiat pointed out, governments expand their powers by creating the poison and the antidote in the same laboratory. One very cunning application of this formula would be to induce a social crisis by creating a "glitch" in the EBT system – and then capitalizing on the unrest by deploying the military to "secure" information networks, supervise emergency relief efforts, and suppress "insurrectionary" elements that have already been targeted by the federal government.

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Written by William Grigg

The world is changing. In China, exports are declining, the economy is contracting, millions are out of work, and there is growing social unrest. A similar situation exists in Europe. Millions have lost their homes, millions are out of work, and massive demonstrations have been held in Italy, Spain, Greece, and Portugal.

What is happening in the United States? The Brotherhood of Darkness created a socialist utopia in which over half the U.S. population receives some form of government payment, and almost no one is truly poor. How did the Brotherhood of Darkness establish the current regime? They purchased the support of the American people by amassing a massive debt that will never be repaid. At the current time, the U.S. Treasury must borrow 40 cents for every dollar they spend.

What does the future hold? I believe the BOD would like to move slowly, but I believe they have lost control of the U.S. economy, and difficult times lie ahead.

Why did the BOD lose control of the American economy? I believe the Dark Spiritual Force (DSF) that created the BOD has a time-table, and the DSF is following that script.

What can you do? You must continue your effort to educate people, and bring them into a personal relationship with our Lord, Jesus Christ, because we are engaged in a spiritual battle for the souls of men, and the survival of Christian civilization.

Barbara and I appreciate your generous support, and your faithful prayers.

Yours in Christ,

Stanley Monteith