

Into Unknown Territory

Protecting Yourself and your Family in the first global economic crisis

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Who is Charles W. Kraut?

- MBA in Corporate Finance (1978)
- 30+ years in the financial services industry
- Investigative analyst
- Money manager
- Author
- Natural-born citizen and veteran

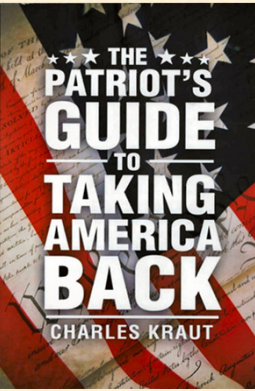
I have devoted my career to the rapidly-disappearing American middle class.

I am responsible for my clients' money.

9/17/2011 2

Why this book?

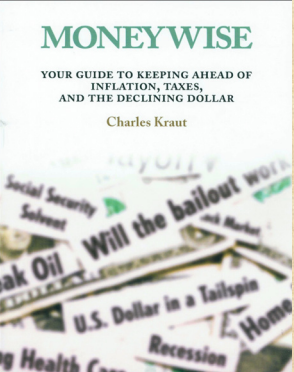
1. Initiate the debate about *natural* rights vs. *human* rights.
2. Provide a specific plan to help the Tea Party, the Campaign for Liberty, and other conservative groups become much more effective.



"In Production"

- *What Will You Do when the Money's No Good?* (2011/2012)
- *Eternal Corporations: How the 1819 Dartmouth decision changed the world* (2013)
- *Living in Post-Constitution America* (2013/2014)


I wrote *Moneywise* because no one else had. *Moneywise* shows you why so many Americans struggle with money – and what you can do to *do better financially* – even in these troubled times.



9/17/2011 5

Wealth Creation and Preservation is my quarterly financial newsletter, now in its 18th year.

WC&P is unique in that it discusses the political and economic events that will affect your personal finances and your life.



9/17/2011 6

On the back of each issue of WC&P you will find **THE ECONOMIC CRISIS SCOREBOARD**. The **SCOREBOARD** tells you where we are in the economic crisis, and the damage being done to America by Big Government.

9/17/2011

The Economic Crisis Scoreboard	1	2	3	4	5	6	7	8	9	10	11	12
Big Government	10	10										
The American People	1	0										

7

www.wcandp.com offers up-to-date articles and valuable advice, much of it free. You may purchase my books, subscriptions to WC&P, and silver coins on the site.

9/17/2011

8

Charles W. Kraut, MBA (Continued)

I serve middle-class clients all over the United States.
 I provide them with top-notch investments, most types of insurance, annuities, precious metals, and more.
 I professionally manage some of my clients' money.

9/17/2011

9

The first Global Economic Crisis

- It is not over; it has just begun.
- The next major leg down is about to begin.
- The wealth of individuals and nations will vanish.
- This crisis will change *everything*.

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10

Borrowing our way out of debt

- It's all "funny money"
- Why interest rates are so low
- The United States of America: the greatest debtor in history
- More debt is not solving the problem, it's compounding the problem. All we are doing is "kicking the can down the road."

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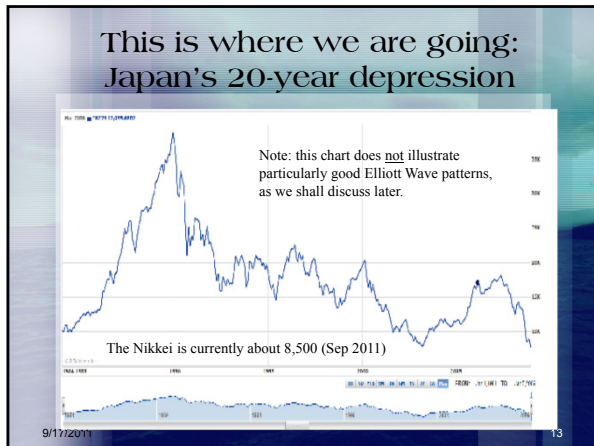
11

We've been here before

Henry Morgenthau, U.S. Secretary of the Treasury, May 1939: "We are spending more money than we have ever spent before and it does not work. I want to see this country prosperous. I want to see people get jobs. We have never made good on our promises. I say *after eight years of this administration we have just as much unemployment as when we started and an enormous debt to boot.*" (italics added)

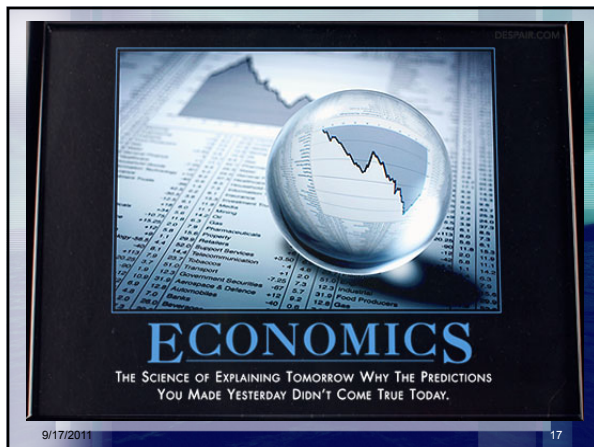
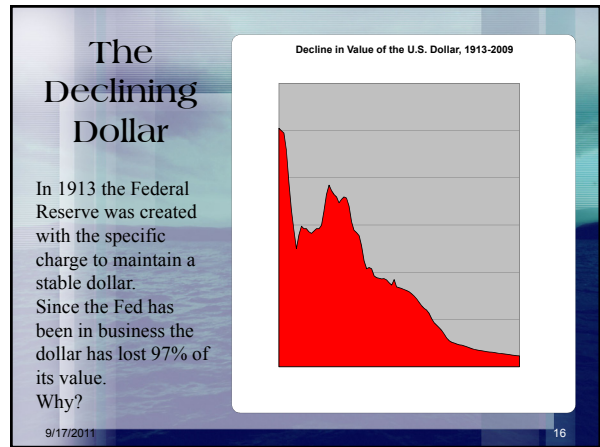
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12



- ### How to get out of a depression
- Get out of debt
 - Reduce your financial obligations
 - Cut staff and programs
 - Cut taxes
 - Encourage employers to create jobs
 - Eliminate trade barriers
- We are doing exactly the opposite.*
- 9/17/2011 14

- ### The Real Estate crisis
- Lenders were “encouraged” by Congress to abandon prudent lending standards.
 - Houses are a *depreciating liability*, seldom an appreciating asset.
 - The “new”, multi-generational family living under one roof.
 - Will real estate recover?
- 9/17/2011 15



- ### Americans don't save money
- 43% of American workers have less than \$10,000 in retirement savings;
 - 29% have less than \$1,000
- Why?
- ✓ Failure to save and invest
 - ✓ Job losses
 - ✓ Mortgage problems
 - ✓ Suspension of corporate 401(k)s
- (Source: CNNMoney, 9 Mar 2010)
- 9/17/2011 18

Loss of property rights

- Taxation
- Deliberate inflation
- Destruction of the currency
- Eminent domain without adequate compensation
- Deficit spending
- The UN and the UDHR
- Agenda 21

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19

There is nowhere to hide

- Governments are unstable – dictatorship is a real possibility.
- The economy is unstable.
- Our debt burden has the potential to destroy us as a nation.
- Markets are unstable, volatile, and manipulated.
- Interest rates are artificially low.

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20

The heavy hand of government

- * Taxes.
- * Inflation.
- * Deliberate destruction of the dollar.
- * Political interference in the markets.
- * Creating problems in order to become famous for solving them.

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21

What can you do?

- ✓ Set your own house in order.
- ✓ Help to create a real neighborhood and a sense of community.
- ✓ Become as self-sufficient as possible.
- ✓ Become a “private person”.
- ✓ Help move America back to its Constitutional foundation.

9/17/2011

22

What can you do?

- ✓ Have a plan based upon informed opinions.
- ✓ Save more money, and put it into places where it will be protected from inflation, confiscation, taxation, and manipulation.

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23

Develop your own strategy and plan

1. Pay yourself first
2. Get out of debt
3. Personal and Family Preparedness
4. Establish and plan to achieve other financial goals (education, self-employment, etc.)

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24

Savings

- Rates must rise; don't commit money long-term.
- Google search for banks (Ally, ING Direct, Discover Bank, etc.)
- Be sure to work only with institutions you are confident will be around tomorrow without government support.

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25

Retirement

- **Don't plan on it.**
- Use the same savings and investment vehicles you use *outside* your retirement plan.
- The Roth IRA – a better choice?
- The problems with 401(k)s
- **Will the government “nationalize” your retirement plan?**

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26

My Suggestions

Educate yourself:

1. Read *Moneywise*.
2. Visit www.wcandp.com.
3. Subscribe to *Wealth Creation and Preservation*.
4. Take an active role in increasing and managing your money.

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27

My Suggestions

1. Buy and install a fire-resistant and burglar-resistant safe at home.
 2. 1-5% of your net worth in \$20 bills
 3. 10-25% silver (with some numismatic gold)
 4. 10-25% in a Canadian savings account (Canadian Western Bank)
- We must prepare for any combination of unpleasant outcomes.

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28

My Suggestions (continued)

5. 10-30% savings account (not CDs)
6. 50-70% Managed accounts (stocks, ETFs, options, energy, silver, and foreign currencies)

NOTE: None of your money is committed for the long-term

Difficult times require sophisticated strategies and competent management.

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29

My most important recommendation

SILVER

Purchase \$1,000 face value of pre-1965 dimes, quarters, and half dollars. (current cost: about \$30,000/person)
They are 90% silver, and currently sell for about 30 times their face value. For example, a 1964 Kennedy half dollar is worth \$15.30 today. (*Moneywise*, Chapter 12)



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30

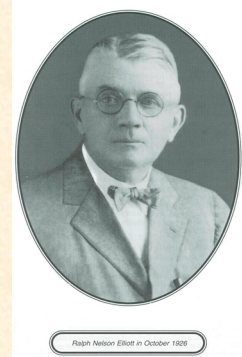
Why silver?

1. "Poor man's gold"
2. Useful in barter when the dollar collapses.
3. 90% silver U.S. coins will always be legal tender.
4. Silver is significantly below its all-time high of \$50 hit in 1980; Gold is much higher than its 1980 high of about \$850/oz.
5. For over 60 years the world has "used" more silver each year than it has mined.
6. There may be less than 3 billion ounces of silver in the world, as opposed to more than 5 billion ounces of gold.
7. Silver has over 3,800 industrial uses; Gold has very few. In deflation or depression gold and silver usually do poorly. Silver is very expensive – don't make a large commitment now, but make regular, systematic purchases over time.

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Elliott Wave

Ralph N. Elliott,
1871-1948
Author of several
books, including
The Wave Principle and
Nature's Law: The Secret of the Universe

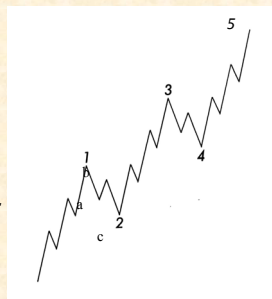


Ralph Nelson Elliott in October 1926

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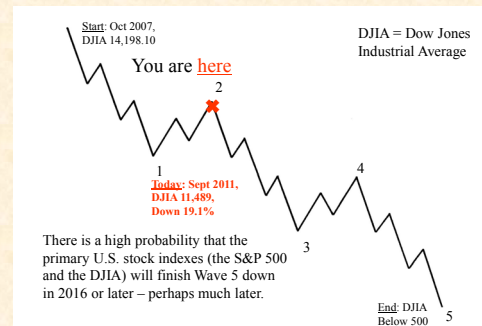
Elliott Wave

- **Primary trend:**
5 waves - 1, 2, 3, 4, 5
Waves 1, 3, and 5 move in the direction of the primary trend.
- **Corrective trend or countertrend:**
3 waves - A, B, C



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Using Elliott Wave analysis on the Dow Jones Industrial Average



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The S&P 500, 1997-present



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Making a better world

- Stand for something.
- Fulfill your potential.
- Identify and develop your talents.
- Serve – contribute time, talents and money.

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Putting it all together

- Protect yourself - don't be a "deer in the headlights".
- Hope for the best, prepare for the worst.
- Be a force for good in the world.
- **Prepare to lose a significant portion of your assets** due to the economic crisis, the decline of the dollar, and inflation.

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