

perceptions of weakness, has done reasonably well to withstand the pressure on it.

But the federal deficit, and continued efforts by the Fed to keep interest rates low with monetary expansion, will prove devastating to the dollar.

Since the dollar is recognized as the reserve currency of the world, only limited protection will be achieved by going to other paper currencies like the mark and yen. If you want protection with a foreign currency between now and the major crisis, the Swiss franc is still the best.

In this election year, we're hearing a lot from Congress about fiscal responsibility. No matter what his voting record, a politician tells his district what he thinks the people want to hear. A study by the National Taxpayers Union showed that for every dollar of proposed cuts in spending, a \$43 increase was also proposed. Out of all House and Senate members, only one introduced legislation that would have netted a decrease in spending.

#### Government by Emergency

In the December letter, I described the huge, secret network of emergency regulations that the president can invoke at any time to suspend the Constitution and the Bill of Rights. What event might trigger such an invocation?

One real possibility is the threat of a nationwide bank run. Shortly after Congress

authorized the most recent \$70 billion "loan" to the Federal Deposit Insurance Commission, a Treasury spokesman admitted that the collapse of a single large U.S. bank could exhaust these funds. The most recent analysis from banking watchdog Veribanc is that more than 400 banks will fail in 1992 alone.

Congress can always "loan" the FDIC more money to pay for a bailout (although there's a limit even to that), but in the meantime, panicky depositors would be lining up to withdraw their funds. If, in the President's judgment a bank run, or the prospect of one, constitutes a national emergency or even an "emergency type situation," he can immediately assume the powers granted him in executive orders such as Emergency Banking Regulation Number 1.

This regulation provides the government with a wide range of unconstitutional powers, including strict restrictions on your right to draw on your banking accounts in times of crisis. Cash withdrawals would be restricted, according to the regulation, "except for those purposes, and not in excess of those amounts, for which cash is customarily used." Moreover, "banking institutions shall prohibit withdrawals of cash in any case where there is reason to believe that such withdrawal is sought for the purpose of hoarding."

In other words, assuming your bank remained open, you would be able to draw upon it to make regular payments for mortgages, utilities, etc. If your bank were closed, you'd have to beg a bureaucrat for



access to your own money.

Naturally, there would be widespread opposition to such measures--demonstrations, and perhaps even riots. To deal with them, the President could next invoke Executive Order 11921, "Emergency Preparedness Functions." E.O. 11921 begins with total censorship--not just press censorship, but the total control of all "devices capable of emitting electromagnetic radiation." Translated into English, this means regulation, perhaps even confiscation, of--for example--CB radios, cellular phones, and computers.

Continuing, the order authorizes "utilization of excess and surplus real and personal property." Property owned by "hoarders" can be confiscated and sold. Who is a "hoarder"? Perhaps anyone with the foresight to prepare for an extended bout of emergency controls.

How do you prepare for a national emergency, the seizure of your property and the suspension of the Constitution? If a full-blown emergency is declared, there is no effective defense short of holing up in an extremely remote area or leaving the United States entirely, assuming travel beyond U.S. borders has not already been banned (another emergency order provides for such a prohibition).

However, as my privacy editor Mark Nestmann points out, you can prepare yourself for lesser emergencies, such as the imposition of Emergency Banking Regulation #1, rationing, etc.

"Keep your money in a strong bank. Even if you keep your money in a federally-insured bank, and the funds are available to pay off depositors, you may not recover your funds quickly if the bank fails. (You can call Veribanc at 800-442-2657 for a safety rating on your bank, and the addresses of the "blue-ribbon banks" in your area.)

"Keep at least a 90-day supply of food, water, and heating fuel in your home. Begin acquiring these supplies now. If you try to purchase them after a crisis begins, you may be considered a "hoarder" and subject to arrest.

"Keep a supply of small-denomination gold and silver coins at home. A national emergency could be declared in the event of hyperinflation or depression, and gold and silver may replace currency as the most widely accepted trading medium in the underground economy."

For even more protection, Mark recommends that you:

"Purchase an electrical generator for use during periods when outside power is not available. If you live in a sunny area of the country, you might even consider purchasing a photo-voltaic (solar-powered) electrical backup system. Solar water heating is also viable in some areas, and is usually considerably less expensive to purchase and install