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## **A National Check-Up Part II**

### ***The Economic Crisis***

by *Rick Joyner*

This is a brief on the second of seven main crises threatening our country. As a reminder, the Health Meter goes from **1** being the lowest and most dangerous, to **10** being the highest and healthiest. The Trend Arrow is for a quick reference rating with UP for getting healthier, and DOWN for getting worse. These will be followed by a commentary to explain the ratings.



### **Economic Present State (3) Trend DOWN**

Our economy may have never been in a weaker and more vulnerable state than it is now, but in this state it has been revealed just how remarkably strong and resilient it is. In spite of all the blows that it has taken and the incomprehensible burdens our government has put on it, it is still chugging along. Even so, we should not presume that this will last. It is vulnerable and little is being done to lead it to a more stable and safe place.

To a large degree, our economy is subject to the faith or doubts people have about it, evidenced by how just a little news can cause large swings in the stock market. This should cause all of us pause. Why is it so fragile? Why does it not have enough substance to stand on its own merit and strength?

You can have an economy without a government, but you cannot have a government without an economy. This is the crisis that could most quickly destroy not only the American Republic but also Western civilization. This is why the economy is the main target of those who would destroy America and Western civilization.

The world economy has been tottering on the edge of the precipice of collapse for years now. Much of this has been due to our own foolishness; much is due to the lack of political courage by our leaders; and much of it is the result of intentional, systematic attacks. We can fix one of these and still be vulnerable, so we must address all three. One of the greatest needs we have as a nation is for a wise leadership who will have the courage to do what must be done to draw us back from the cliff we are now hanging over, with the understanding to discern the nature of the economic war that is being waged against us, and the courage to counter it.

Wars today are not just fought with guns and bombs, but with banks, currencies, and crippling cyber attacks. Those who do not understand the nature of the conflict are increasingly vulnerable. Espionage today is targeting industry secrets more than military secrets. It is not possible to win a war you do not understand, and you cannot defeat an enemy you do not see. We are in desperate need of leadership today that understands the war that is being waged against us and who has the courage to fight back.

### **The Strategy of Slow**

Our primary enemies today are not trying to destroy us fast because this would hurt them too much. They are trying to systematically weaken us, distract us, and wear us down gradually to give them time to seize our assets. They are seeking a controlled destruction, and to date, they are being very successful. The politically correct mentality has us tied in knots so that we cannot even fight back. To have a chance, we must cast off the naïve belief that if we are nice to everyone, they will like us. They will never like us and will never be satisfied until we're destroyed and have plundered our wealth.

This is not to imply that we should not have a concern for the other nations and try to do them good. What has made America possibly the greatest nation in history has been the unprecedented willingness to fight desperate and costly wars and then expend our own resources to help rebuild the nations of our former enemies. One leader of a third world country once said that the quickest way to prosper his nation was to go to war with the United States, surrender quickly, and the aid would come. A sign at the U.S. cemetery at Normandy reads: "These tombstones reflect the sacrifice that America was willing to pay to help save Europe, and if anyone doubts their intentions, the only thing they asked for in return was a place to bury their dead." There certainly has never been another nation with the power America has had and been so noble in its use of it. To use our power and our wealth for good is a noble cause whether the other nations acknowledge us and like us or not. Even so, our naïve leadership has allowed other nations to manipulate us so easily that we are more scorned than respected.

More will be said about this when we cover the political crisis, but as we look at the roots of our present economic crisis, America may have never had a brilliant economic thinker as President. Congress seems almost entirely void of those who understand the economy, which is why bills like Dodd-Frank get passed that do deep and long-term damage to our economy.



A number of factors could push it over the edge, and if we are not led to greater safety soon, it is likely that we will pay a terrible price. We will not just have one part of the economy collapsing, but there will be a cascade where crises will feed off of each other. Until there is a leadership that can lead us away from this brink, we should be prepared personally for a worldwide economic disaster.

### **What's the Good News?**

That was the good news. As we dig down it gets worse. However, there is potential good news. Until our economy completely collapses, it can be fixed. It can even be fixed after it collapses, but it will probably take the greatest leadership our country has ever had to do it. Regardless of how bad it gets, we must have in our hearts that we will not give up on preserving the Republic that was given to us and was paid for by so many for so long at such a high price. We must resolve that this will not happen on our watch. To do this, we must know our enemies and understand how they are attacking us.

Even if we have a total collapse of our stock markets and our currency becomes worthless, we can still come out of it. It has been done before, and we too can do it. If this happens, it will actually present a brief period when we could make the changes that lead us to a much stronger and safer economy than we have ever had. It will all depend on the leadership that is in place. It is going to be all about leadership.

Even though I am painting a bleak picture of our present conditions, it is the truth. We will never get out of the mess we're in if we do not have the courage to see things as they really are and address the real conditions and real factors.



### **The 800-Pound Gorilla**

The economy is not hard to understand, but it does seem hard for anyone who understands it to get elected to an office in the present political environment. The single factor that could lead us to safety the fastest and the one that should be the most obvious of all—no one in government has even mentioned. That is cutting government spending by cutting the size of government. This could easily be done without cutting services, or entitlements, but rather improving them by imposing efficient management on all levels.

The fact that this has not been addressed by a single Presidential candidate is telling. It was not even a factor in Paul Ryan's budget proposal. It is the 800-pound gorilla in the room. It is using up all of the oxygen in the room, and no one seems willing to acknowledge it. Why?

I do not mean to be indelicate, but Michael Reagan said it best on Fox News, "The Democrats have gone nuts and the Republicans have lost theirs." There does not seem to be anyone in our Federal government with the courage to take on the public

service unions. This will have to be done, and we will not escape from our present crisis without doing it.

This is more than a problem with deficits; it is the problem of a single special interest group sucking up the economic oxygen in the country. At present, you can earn up to twice as much working for the Federal government as you can in the private sector for a comparable job. We, the people, are paying these extravagant salaries and unimaginable benefit packages because union leaders have proven more capable at representing their people than our elected officials have had representing us. We should not fault the union leaders, or the union members, but our own elected officials for this incomprehensible situation. Even so, it must be addressed if we are going to get out of the crisis we're in.

Consider why the round of budget cuts proposed by our President and Congress cut pay and benefits to our servicemen and women, and no one even mentioned cutting the inflated pay and benefit packages to the public service unions. Just bringing salaries back in line with the private sector would cut our deficits by 25-35%. Cutting the size of government to what it should be with efficient management would not only eliminate our present deficits, we would have a surplus. This cannot be done all at once, but if set in motion, a plan to do it in five to eight years would create so much more capital for the private sector that economic growth would likely enable this to be accomplished even much faster.

Right now, with the government paying twice as much as the private sector, where are the best and brightest people in our country now trying to work? Many think we should want the best in government, but the government does not produce anything marketable or eatable. All of the taxes for sustaining government come from the private sector. We are now approaching the point where more than half of all Americans derive their support from the government, and if you include private sector jobs that exist because of government contracts, this is now approaching 65%. This means that every person in America who is actually producing something has to produce enough to take care of themselves, their families, and two more families that are living off the government. This ratio is not sustainable, which is why the deficits are ballooning.

### **Another 800-Pound Gorilla**

Other factors are eroding our economic strength and keeping us in ultimate jeopardy. One is that if you put our government on the accrual accounting basis that the rest of us have to use, then our real liabilities are now over 200 trillion dollars. This was assumed to be "just" sixty to seventy trillion, but now we know it is much more. For the first time, someone has acknowledged that if the tax rate for every American and every business could be raised to 100% of their income, it would not even begin to pay for our obligations. So how are we going to pay for them?



The obvious answer is that they will try to debase the currency with inflation. This was Marx's first strategy for destroying capitalism - destroy the capital, the money, with inflation. Whether intentional, or unintentional, this is being done to us. There is a way out and one that could lead to a stronger and safer economy than we've ever had—cutting the size of government and cutting government waste, but to date, we have not had the leadership willing to do it. The longer we wait, the more painful it will be.

Dealing with the biggest factor, government waste, inefficiency, and incompetence, would give us much more time to address the problems with entitlements and get us out of this situation with the least pain. If our entitlement programs were run efficiently, we might be able to actually give greater benefits than are planned. If the economy was released to grow as it should be, the potential wealth generated by the American economy could be far greater than it has ever been before. If our economy had the government working for it instead of against it, as it has been, our economy could go into an economic warp speed, quickly shrinking our debt to GDP ratio and eventually eliminating our debt, which should be our goal.

There has never been a more powerful economic engine like the U.S. still has. Released to run as it could, we would not only have virtually no unemployment, we could help the whole world's unemployment problem.

## **We Are Gulliver**

The next biggest factor hurting our economy is overregulation. This has gotten exponentially worse under the present administration, but it has been getting intolerably worse under every administration. This is death by a million paper cuts, and if the bleeding is slowing, it is only because we have run out of blood.

ObamaCare has already created 80,000 pages of regulations, and it has just gotten started. From 60,000 to 80,000 new laws are imposed on Americans each year with the great majority of them being anywhere from foolish to devastating.

There have been some good stories of recovery lately, and there will be some in even the worst of times. These should be celebrated, but we should not be fooled by some economic indicators that are presenting a much rosier picture than the conditions really are. We are in the worst economic condition in our history, and it is getting worse. It could collapse in a day and will soon at some point if the right action is not taken to prevent it.

## **Other Factors**

The stock markets are riding near all-time highs because so much money is now fleeing Europe that the U.S. stock markets are now seen as one of the safest places to go. I have been predicting for years that the E.U. was unsustainable and would collapse.



The only issue was how long it would take and if it would be orderly or not. As precarious as our own economy is, Europe's is much more so.

For several years, the leading nations of the E.U. have known this, and have only been trying to sustain the present situation long enough to build firewalls around their own countries. The final unraveling could get very messy, and it could be what pushes the U.S. economy over the edge as well. At the very least, the entire world's economy will be left crippled and in worse shape for the foreseeable future. This will create civil unrest.

Our Federal Reserve has also been reacting in a way that could buy us short-term relief, but will cause long-term problems. When the Fed stopped printing the M-1 money supply (the amount of dollars in circulation), everyone should have known what the Fed was up to. It was shocking that no one in Congress even raised a peep about this when they should have been screaming bloody murder. My bet would be that they did not even notice and may not have even known what it was. The Fed is scary and needs to be reined in because it has the power to do us in. However, what is even scarier is giving that power to Congress. This is a major issue that must be addressed, but it must be done so with great wisdom and care.

### **Better News**

The good news is that a temporary meltdown, and even temporary martial law, could be good news. This could be the wake-up call that forces reality and focus to get us back to the foundations our nation was established on and our prosperity was based on. The simple principles we were given work, and they can lead us back to being the strongest and safest economy in the world and even greater prosperity. A meltdown would be messy for a time, but it could lead to the reset we need, a jubilee that gives us another chance—if the right leadership is in place and is ready to take wise, decisive action.

The bad news is that if the right leadership is not in place, this could be the open door through which the worst kind of tyranny takes over America. This should be horrifying for the whole world.

### **Truth Is Strength**

It is understandable that people would want to present the economy in the best light possible because so much of it is driven by faith in the economy. However, for our government to cook the numbers like they have would land them in prison if they were running a business. This is a serious crime because it can hurt so many people, but when the government does it we can count on it ultimately hurting many more. One of the most important things we can do to bring strength and stability back to our economy would be to demand truth from the government, making it a serious crime for any



government leader to intentionally lie or deceive the American people in anything related to the economy.

For example, if you add back into the factor those who have dropped out of the job market in the last three years, our real unemployment is over 11%. We have over two million fewer total jobs in America than we did at the beginning of the Obama Administration. Inflation is much higher now than they are telling us because they keep removing from the factors they use for computing this the really volatile things such as energy and food. What could be more important factors than these?

Again, to have an overly optimistic view of the numbers is not criminal, but to change the numbers is—unless you're the government. Ultimately, this erodes not only people's faith in the economy but in the United States. When the real facts become known, the collapse could be more devastating than anyone at this time is willing to discuss.

The positive is that the U.S. economy is so strong and resilient that it has taken the devastating hits of the last few years and is not only still afloat, but from time to time still cranks out a few knots of speed. It is doing this in spite of government interference, not because of it. We still have the strongest economy in the world. In some ways, it may be stronger because it has had to fight against such resistance for so long. Even so, for it to realize that strength it must be released from its shackles soon.

## **Prediction**

Factors will converge that cause a lightning fast collapse of the U.S. dollar, and the world economy will be shaken to its foundations. If you do not change your direction, you will end up where you are headed. We are headed for an economic collapse, followed by the worst civil unrest America and much of the world has ever experienced, followed by martial law.

The right leadership could avoid the above, but that is where we are now headed. The right leadership would have to be bold, courageous, and decisive, with the integrity that can restore faith by telling the truth, decisively implementing a wise, workable plan for righting the ship that instills world confidence. Such a leader would likely have to be one of the most remarkable we've ever had.

Could that leader be Romney? It could. Romney took over the Olympics that were in crisis and turned them into a brilliant success instead of the disaster they were headed for. His experience at Bain Capital could be just what is needed to get us through these times. Bain Capital took over companies in crisis to turn them around. Bain Capital did not win unless they turned the companies around, and sometimes they had to make hard decisions to do it. A lot of hard decisions will have to be made over the next year. There will be some pain, and we need a leader that can hold the course even when it is painful. Bain Capital won more than they lost, which is a major



accomplishment in that business. This could have been perfect training for what we are now facing.

Could Obama ever be that leader? As long as he is President, I will pray for him to have a transformation and become that leader. To date, there is no indication that he would ever steer us from the path of disaster we are now on. I have learned never to give up on the power of God to transform anyone, and so I will not give up on him as long as he is in office. However, without a profound transformation, he seems far more likely to keep doing the opposite of what needs to be done to get us out of the present crisis. We will discuss this in more depth when we cover the political crisis.

Trauma, and especially economic trauma, has been the biggest open door for tyranny throughout history, and if we have not turned to the Lord in a way that compels Him to heal our land, we will face the worst form of tyranny. This is a very real threat for as long as we remain in this vulnerable condition.

### **Solution**

More important than getting the right person in the White House is inviting God back into our house. Turning to God should never be the last resort but the first. In the first five chapters of Isaiah, we see that the nation which falls to the depravity of calling evil good and good evil, that honors the dishonorable and dishonors the honorable, the first judgment that comes upon that nation is wicked, immature, and capricious leadership. Good is what God defines as good, and evil is what He defines as evil. To return to God includes loving what He loves and rejecting what He hates.

It is all about leadership. Knowing what to do is the beginning, but we must add to the wisdom to apply it right and the resolve and courage to hold the course until the job is done. Such leadership is the grace of God, and He is the main one we need to appeal to for it, but we must also be wise in our choice of leaders. In a Republic, the people are the sovereign. If we have poor leadership, it is because it is allowed by us.

As Edmond Burke said, “The only thing required for evil to prevail is for the good to do nothing.” Are there good people in America? Will they do something? All of the crises we’re now facing are interrelated, and fixing the one we began in this series to address, the spiritual and moral crisis, could begin the process of turning every crisis into an opportunity. Does our generation have the spiritual and moral fiber to do this? We will likely see very soon.



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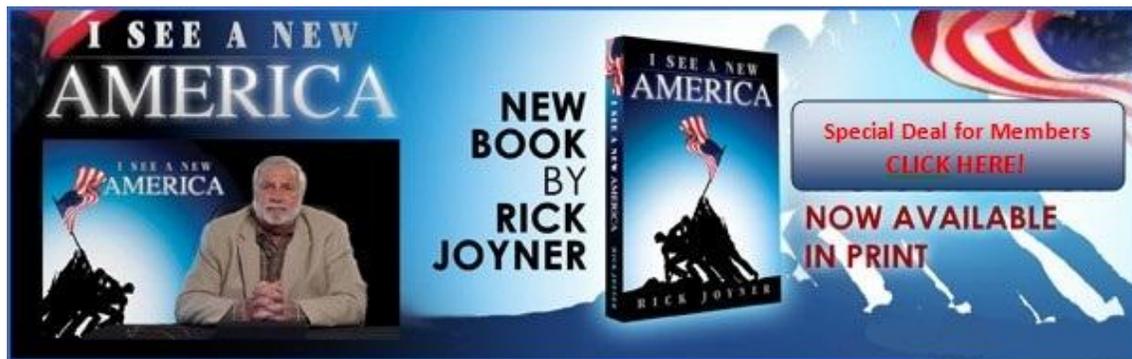
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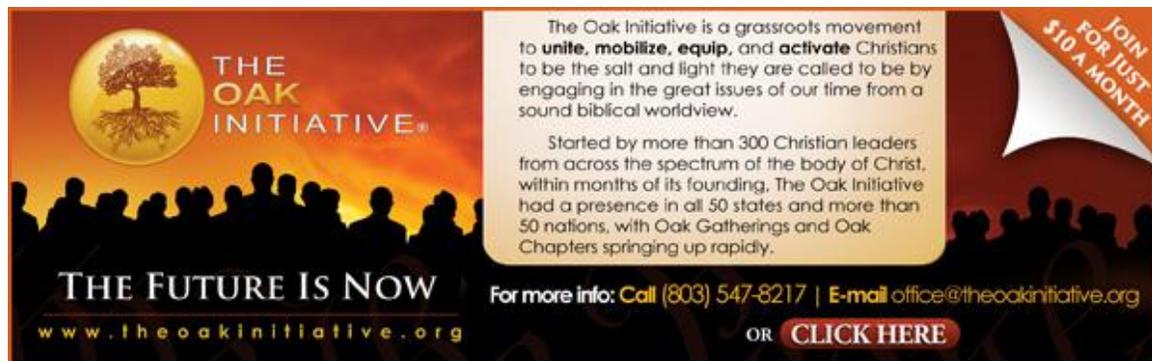
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