

# Fallout from Y2K

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Several months ago, the present writer published *How to Prepare for Y2K and Other Crises* (8½ x 11, 88 pp., \$5.50 each + \$1.50, p&h).

You may have a copy, for large numbers have been sold. Following an introduction to the problem, a lengthy section is provided, which explains a wide variety of things you can do to prepare for such problems.

The last part of the book provides a remarkable glimpse of the extent of the crisis and its ramifications.

**In this present report, I want to bring to you a brief statement on what is likely to occur as we near the end of the year and enter 2000.**

**Although presented as a set of predictions, you are well-aware that they come from someone who is quite uninspired. However, the forecasts are based on a wide-ranging awareness of facts, as well as the analyses of a number of financial, and Y2K, experts.**

For helpful information on how to deal with the coming problems, see the present writer's book, *How to Prepare for Y2K and Other Crises*.

## WHERE THINGS ARE LOOKING BETTER

**Some areas are not looking as bad as previously thought.**

**ELECTRICITY**—As you know, electricity is generally considered to be a key problem. It is now thought that this will not be as serious a matter as earlier believed.

The electricity may go out for one or two weeks or possibly up to a month. Some areas could experience worse problems than others, and there may be on-again, off-again service for a time.

But there still remains the possibility that, if all the power generators go down, it might be extremely diffi-

cult to start them again—since electricity is required to do this.

**TELEPHONES**—Telephones are generally okay, but some of the smaller telephone companies may have problems.

**RAILROADS**—This is another key area of concern, since most of the electric plants in the Eastern states are fired by coal. If the railroads go down, those plants cannot operate. The railroad industry is notorious for old equipment and computers.

**AIRLINES**—The major airlines are getting ready, but there will be problems with overseas airlines.

**OTHER MAJOR INDUSTRIES**—Oil and gas, shipping, automotive, and medical are all industries which could be greatly affected. However, efforts are being made to “window” the computer chips by turning them back to 1972, so that some of the problems will be postponed. (All this is explained in my book.)

However, chips which were repaired and not windowed may not be able to network with chips which were windowed.

One example of this is the global positioning system. We earlier announced that the GPS would stop functioning on August 22 of this year. It now appears that, through the use of windowing, the GPS will continue to operate. However, they will not be able to function with ground-based computers and chips which did not have their clocks turned back to 1972.

**BANKING AND SECURITIES**—As noted earlier, U.S. banks and the financial markets are the most Y2K compliant.

**MAJOR CORPORATIONS**—The great majority of the largest business firms survive fairly well. The problem is the damage in governments and

firms around them, and in the buying public—which, for various reasons, will not be buying as much.

Each of the above favorable possibilities could be greatly damaged if electricity was cut off more than expected.

## WHERE THINGS ARE LOOKING WORSE

**Let us now turn our attention to the most serious fallout from Y2K, which we are likely to experience. The following problems are not listed in the order of importance; they are all serious.**

**1 - BANKS**—Although the banks are in good shape, it is likely that the general public may withdraw enough savings, that many banks will not be able to withstand the pressure. Fortunately, it is believed that banks which fail will be quickly purchased by larger banks. Yet a bank holiday, such as occurred in March-June, 1933, could once again occur—as, by federal order, banks are closed for a time throughout the nation.

**2 - U.S. GOVERNMENT**—Various operations and services of local, state, and federal levels of government may be curtailed or stopped for a period of time. The more dependent a person is on the government, the more vulnerable he will be. (The Defense Department is not going to admit if it is not prepared.)

**3 - SMALL BUSINESSES**—It is estimated that at least 20%-25% of the small businesses in America will go out of business. They did not have the money or workers to fix their computers and chips, and they will not be able to withstand the problems which the Year 2000 will bring.

**Apparently, the larger firms are more likely to be able to weather the coming storm. (Although a re-**

cent report stated that over 5% of the Fortune 500 firms will close their doors also.)

Those firms which had the money and foresight to stockpile parts and inventory ahead of time will fare the best after the turn of the year.

However, computer networking problems (between business firms), as well as overseas government firms and markets, will hurt everyone.

**4 - EQUIPMENT, PARTS, AND SUPPLIES**—There is a continual need for each of these; yet, as the new century begins, a significant amount will be reduced or stopped entirely for weeks and even months. This will cause serious problems to all phases of business in America.

**Not only will many firms have computers and chips which do not work properly, but they will not be able to obtain the materials and supplies needed to keep their doors open.**

(It is now thought that food may not be affected as seriously as some other supplies).

**5 - RIOTS**—There is a good likelihood that riots will occur because of the turmoil, loss of jobs, lack of electricity, etc. Such events would only aggravate the problem. Our nation no longer has the moral fiber it once had. Instead of turning to prayer and hard work, there are many among us today who solve their problems by pillaging, rioting, attacking people, and burning buildings.

**At such a time, there will be both the motive and opportunity for increased crime, especially in the cities.**

**6 - FOREIGN GOVERNMENTS AND FIRMS**—With the exception of three countries (U.S., Britain, and Australia; Canada may be the fourth), all governments and businesses throughout the world will be almost totally unprepared! This includes all of continental Europe, South Korea, Taiwan, Brazil, Mexico, Russia, India, and even Japan.

Apart from the few named exceptions, not one nation in the world—its government or its business firms—

are preparing for Y2K! (England decided to fix its Y2K problems instead of adapting to the Eurodollar, as the continental nations did.)

As our readers will recognize, if even one of those leading countries were to crash, America—and the other first world nations—would be deeply affected. (Only a few months ago, it seemed that the faltering economy of Brazil might take everyone else down with it. Fortunately, Brazil recovered without collapsing.)

But when nearly every other nation in the world goes to its knees, the impact on America will be dramatic.

**7 - A RECESSION/DEPRESSION IS VERY LIKELY TO OCCUR**—By definition, a recession becomes a depression when it lasts over three years. We are going to experience a financial and general crash which, the experts predict, will be of major proportions.

**It may only last a few months, but it is more likely to continue at least a year—and it may last several years,** before the nation is clearly pulling out of it.

The collapse of overseas nations will be even worse than ours. Of course, nations, such as Bangladesh, will continue on as they always do—for there is no business there anyway. Everything has always been hand-to-mouth, and that will continue unabated.

Part of the problem will be caused by Y2K problems. But part will be due to perceived problems. Many will consider the situation to be more terrible than it is, and their reactions will only make it worse. There will be riots, runs on banks, less buying and selling, etc. Processing of government checks may be curtailed, shipments will be hindered, companies will lay off workers or close entirely, and unemployment will climb. Those foolish enough to have stocks will see them greatly lose in value.

#### **OTHER FACTORS WHICH ARE NOT GOOD**

**Before concluding this brief report, there are several other aspects to consider. Most of them are gen-**

## Waymarks

**erally overlooked in the many Y2K reports you will read:**

**1 - OVEREXTENSION OF CREDIT**—America has gone crazy over spending on credit. Whenever a crisis comes, those who fare the best are the ones who know how to live carefully. **But millions of people in our land owe thousands of dollars. They are not prepared for what is coming.**

**2 - VICES**—There are termites eating out the heart of our nation; and, when the crisis hits, the impact will be the greater because of the vices our people have acquired: gambling, abortion mills, street drugs, and pornography, to name but a few. Bribery of politicians is endemic. Godly people can weather a storm better than the dissolute.

**3 - VIOLENCE AS ENTERTAINMENT**—It is well-known that violence on television and in movies, videos, music, magazines, and books is turning our nation into savages. Especially is this effect observed on teenagers and pre-teens. Easy access to guns only heightens the problem. Few defend morality; most defend guns. Jails are so overcrowded that early release is the rule.

**Such an atmosphere will only intensify the violence, when the recession hits.**

**4 - GOVERNMENTAL DEBT**—Earlier, we mentioned the seriousness of personal debt in this nation. But our government in Washington, D.C. is in even worse shape. **The immensity of our national debt places us on the edge of disaster, only waiting for a financial crisis to trigger it.**

In the 1930s, the U.S. federal government was able to pull the nation out of the problem by spending money on various public works programs. But there was hardly any federal debt back then.

Roosevelt started something that never stopped. In order to win reelection, politicians kept showering the nation with food, housing, and highways while spending billions on the cold war, and wasting immense amounts of money on useless pro-

jects.

When the next crash comes, the nation will be flat on its back.

I do not owe any money to anyone. Our independent ministry has no debts. That is the way to live at this time in history. Get ready.

What if someone told you that he was \$500,000 in debt but that (good news!) he had not gone any deeper in debt the previous year! What would you say to that?

Well, that is what all this talk concerning the “federal debt” and the “federal deficit” is all about.

Our federal *debt* totals trillions upon trillions of dollars. Yet the federal government declares that we are doing well; for, just now, we did not run a *deficit* last year, and we may not have any “deficit spending” this year. That means we are not currently adding to our present mountain of debt, but not one word is said about paying any of it off.

Frankly, such thinking is a fool’s paradise, and the public is contented to live with that.

**Like the roof of a house when it caves in on the occupants, our national debt is going to crush us when we have our next major repression.**

Why? At the present time 20% of our national budget is spent on servicing our national debt. That means, 20% of all the money the U.S. government takes in is used to pay the interest on what it owes the bankers.

When a major depression occurs, the federal government will no longer receive enough income, and it will be

unable to pay that interest.

**5 - STOCK MARKET OVER-EXTENSION**—Not only do we have over-extension of personal and governmental credit, we also have a hyper-inflated stock market.

The “financial experts” regularly discuss the possibility that our nation’s securities markets have entered a new phase of existence. Instead of normally rising and falling, our financial markets just keep going up. It is theorized that they will just keep going on up forever.

According to reports, an unusually large percentage of Americans are now invested in the stock market.

**When that market crashes in a few months, immense amounts of money will be lost. What happens to a person when all its savings are lost, his business firm goes broke, and the government no longer mails checks or pays its bills?**

It is an intriguing fact that money invested in the stock or commodities markets can so easily disappear. This is because everything is *traded*. The value of the item acquired keeps going *up or down*; and, due to computer trading, those movements can be extremely rapid.

**6 - SUNSPOT CYCLE**—Do not laugh; it is real. Every time the 10.5-year sunspot cycle reoccurs, a variety of problems take place.

One is magnetic storms which affect telecommunications, computers, and satellites.

There will be agricultural prob-

lems, due to unusual changes in the weather. Serious drought is a common occurrence.

About five years ago, the present writer came across research data, written over a century ago, that indicates that stock market panics (that was the word for them back then) tend to occur at the time of the sunspot changeover. (For the information of the uninitiated, every 10.5 years, an electrical reversal occurs in the core of the sun, and a new buildup of sunspots begins anew.)

The next solar reversal will occur at about the turn of the century.

**So we have a number of very relevant, non-Y2K factors which are likely to worsen the impact of what Y2K is going to do at the turn of the century.**

But, among them, the worst are the heavy personal and governmental debt, the moral collapse, and overly high stock market.

**Trouble is coming. You should be aware of the fact.**

This is one of the few crises of which we have had an abundance of advance notice. Our government and the major industries have been warned since the early 1990s. The rest of us began learning about it a year or two ago. Yet few of us are prepared.

**WHAT CAN BE DONE INDIVIDUALLY?**—Read our book (\$5.50 each + \$1.50 p&h). It is quite detailed. First and foremost, obey the Spirit of Prophecy—and get out of the cities! You should not be living there.

**HERE IS THE LATEST**—Federal agencies refuse to give information to Joel Willemsen, director of the Civil Agencies Information Systems, under the U.S. General Accounting Office (GAO). **But he has learned the following facts:**

- Y2K renovation costs for federal agencies has risen to \$7.5 billion, more than triple the \$2.3 billion estimated in February 1997.

- Less than half of that had been spent prior to fiscal year 1999. (Therefore they are obviously less than halfway done.)

- In contrast, the Clinton Administration publicly claims that nearly all Y2K preparations are completed. Someone is not telling the truth.

- Only seven agencies tracked actual Y2K activities. Five said they tracked some costs and guessed at others. So few know where the federal Y2K emergency money is going or how it is being spent.

- Eight organizations did not know their Y2K cost obligations. Nine (including five major agencies) refused to divulge any information. They are afraid to tell where the money is going.

- There is clear evidence that some Congressally-approved Y2K emergency funds are being spent on other things.

- Example: Out of the Treasury’s \$253 million, \$92 million is being spent on totally non-Y2K items.

- Agencies are now requesting additional Y2K funds. Yet the White House says

all Y2K preparations are essentially complete.

- Agencies are expected to spend \$1.1 billion fixing Y2K problems in fiscal year 2000—which is partly after January 1, 2000.

- Twenty-eight agencies will be doing Y2K repairs after the turn of the century. Some of that money will be spent on “contingency planning”; *i.e.* deciding what needs to be fixed.

- Some agencies will still be fixing Y2K till 2019 A.D.

Linda Ricci, of the Office of Management and Budget, says all Y2K money spent by federal agencies is closely monitored, carefully spent, and fully reported.