

The Hounds of Hell: Two Potentially Fatal Threats to US National Security

by Jeremy James



This paper addresses two very different subjects – the US financial system and the US electrical grid – which happen to have some disturbing features in common. Both are extremely fragile, both are highly integrated, both are vital to the well-being of American society, and both are managed with treasonous incompetence by the current administration.

Threat Number One: The Fragility of the US Financial System

There is an old saying: You can't cheat an honest man.

Today we are seeing a huge increase in cheating and a staggering fall in the number of honest men. People believe only what they want to believe and hear only what they want to hear. Does this remind you of anything?

The Old Testament passage that is quoted the most in the New Testament is Isaiah 6:9-10:

"And he said, Go, and tell this people, Hear ye indeed, but understand not; and see ye indeed, but perceive not. Make the heart of this people fat, and make their ears heavy, and shut their eyes; lest they see with their eyes, and hear with their ears, and understand with their heart, and convert, and be healed." (Isaiah 6:9-10)

In his commentary on these verses, the seventeenth century nonconformist theologian, Matthew Poole, stated:

The sense is, Because you have so long heard my words, and seen my works, to no purpose, and have hardened your hearts, and will not learn nor reform, I will punish you in your own kind, your sin shall be your punishment. I will still continue my word and works to you, not in mercy, and for your good, but to aggravate your sin and condemnation; for I will blind your minds, and withdraw my Spirit, so that you shall be as unable, as now you are unwilling, to understand or perceive any thing that may do you good.

There is a disturbing solemnity about these words. They are not saying, 'Trust Me; all is well.' Why? Because, despite appearances, men did not truly respect Him, men did not really care for His words, and had persisted in this vein for so long that a point was reached where the LORD simply said, in effect: "Right, if that is how you want to live, then live that way in full measure and see where it leads."

The same applies today. Despite every warning and every cautionary sign, men are determined to believe that all is well with the world. They continue to tolerate without revulsion the wickedness that is rampant in society. How many churches grieve for the evils that they see all around them? How many condemn the gross contempt shown by our leaders for Biblical values and godly conduct? How many continue to compromise unashamedly with the world and its ways?

When this happens they lose the ability to read even the most obvious signs correctly.

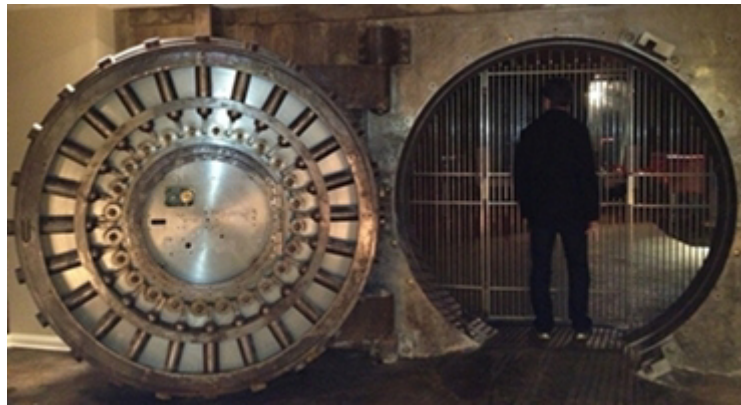
Truly born-again believers should know that Satan does not confine his trickery and deception to the field of 'religion' but works in all spheres of human activity, including sociology, politics, economics, industry, technology, science, cosmology, and international affairs. As the consummate liar, he knows how to drive mankind in whatever the direction he wants. His end goal is to send his 'son' in the place of Christ and have him accepted by the entire world as the Messiah.

Strategic Wealth Confiscation

Fewer than one percent of the world's population own half the wealth on earth and this tiny percentage has been working hard over the past century or more to gain ownership and control over the other half. This suits the Adversary perfectly since he in turn controls that small group of people.

In former times the Elite ruled primarily by force of arms, but over time, as the population of the world increased, they had to find more efficient and less disruptive ways to oppress and exploit the population. One of these was the international banking system. Although it provided a valuable service to mankind, it concentrated a great deal of power and influence in the hands of a very small number of people. This influence was further increased through the global network of central banks which ensures that all economic and monetary policy, at both national and international level, is decided by a cabal of bankers who are answerable only to the Elite.

When the US came off the gold standard in 1971, the age of fiat money commenced. This marked a great leap forward for the bankers and their Elite overlords. Money supply could be increased at their discretion, with no controls other than the pressure exerted by rational economists and public opinion. It was now easier than ever to meet the inexorable growth in government expenditure by simply expanding the money supply and taking on more debt. Much of the worldwide economic growth over the past forty years has been financed by this massive increase in public debt, enabled throughout by the profligate policy of the international network of central banks.

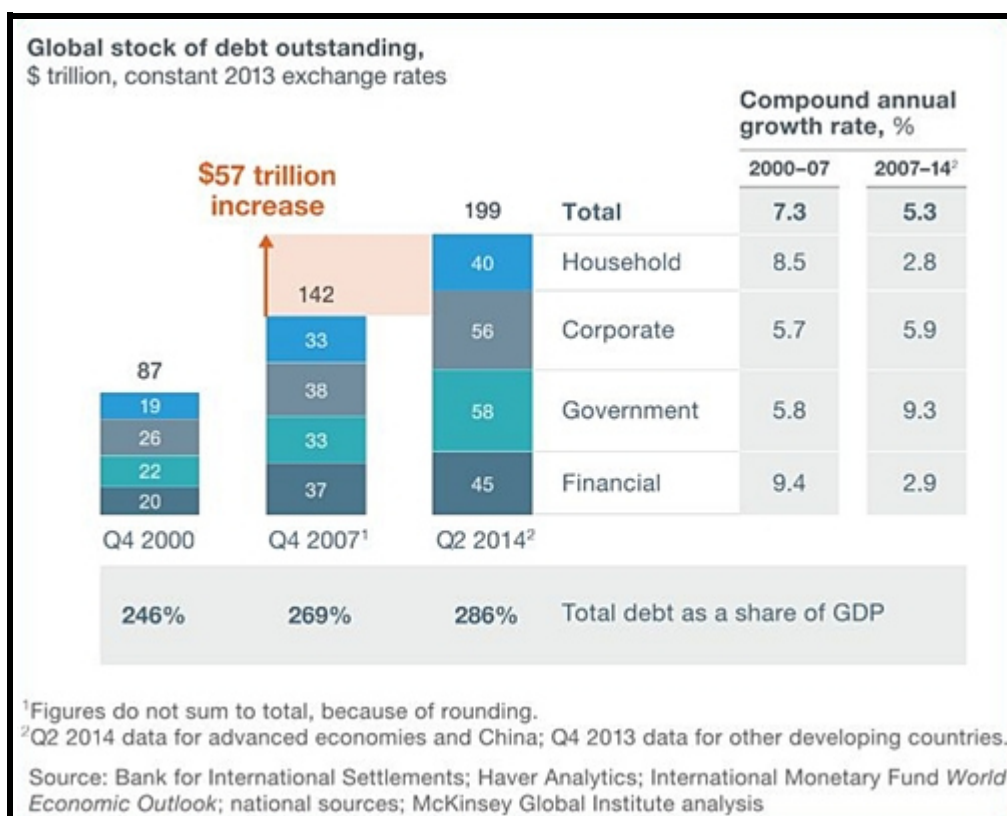


This debt is really a loan from future generations. Our children and grandchildren are the real victims here. This generation is taking money in vast quantities from the taxes payable by future generations. Governments all over the world have been spending, not only existing tax revenue, but future tax revenue as well, and doing so on a truly promiscuous scale.

As a result, the world is now experiencing a massive credit bubble ('credit' is just another word for debt, since all debts are owed to creditors who expect to be repaid). There has never been anything like this in history. The bubble is astronomical and encompasses all developed economies. Everyone in the banking system knows that there is not the slightest possibility that this debt will ever be repaid – it is simply far too large.

Since 2007, the total quantity of world debt (household, corporate, government, and financial) has increased by \$57 trillion, while not one country has managed to decrease its debt to GDP ratio over that time. The global debt-to-GDP ratio is now 17 percentage points higher than it was in 2007 – when, at 269 per cent, it was already dangerously excessive. Significantly, China's debt has quadrupled since 2007.

The age of accelerated economic growth ended in 2008. In a best-case scenario, future generations will end up forfeiting a huge chunk of their incomes just to service the debt, and this assumes that interest rates will never again reach the levels last seen in the 1980s. International trade and domestic consumption will slump and future economic activity worldwide will remain fairly static for the next 30-40 years.



However, we are not facing a 'best-case' scenario, but the opposite. The crisis since 2008 has been handled so badly, and with such mind-numbing incompetence, that we are now witnessing the potential collapse of the international financial system.

The Elite want us to believe that all of this was a terrible accident, a product of unfortunate economic decisions whose long-term consequences were not properly understood. However, that simply isn't true. The entire outcome was foreseen by its architects. The Elite set up the international central banking network in order to create an unsustainable level of debt which, once it reached a critical mass, would collapse catastrophically and wipe out all stores of financial wealth. The only people with real, non-paper, non-promissory wealth – the 1 per cent – would then buy up real estate, office blocks, businesses, industrial plant, mining rights, national utilities, road and rail networks, and just about anything they pleased at a fraction of its real value. The transfer of wealth would then be complete.

We are now on the threshold of such a collapse. It is very difficult to say when it will occur and whether it will lurch downward in a series of phases over a number of years or plunge precipitously from the outset. It is also difficult to say, in the absence of reliable statistics on global debt and financial derivatives, just how much damage it will cause. But one thing is clear – it will be extremely painful. The resulting economic hardship and social unrest will be far in excess of anything seen in the 1930s, and it will affect everybody.



The Evidence

This website has been warning about the approaching financial crisis since the start of 2009. We have also warned about the steps that are being taken to create World War III. The two are connected since the Elite intend to forge an entirely new system of world government and economic management from the chaos and turmoil that these events will generate.

In our experience, no-one wants to hear this message. Even when they are shown facts that demonstrate conclusively that the world financial system is in a deep crisis, they refuse to countenance the possibility that a catastrophic collapse is about to occur. This is very similar to the deafness and blindness described in Isaiah 6:9-10, where men reject the evidence for so long that eventually they reach a stage where no evidence, no matter how glaring, will register on their benighted senses.

What kind of evidence are we talking about?

Basic Fact #1

All of the money on earth is fiat money – paper backed by nothing. This has never been the case at any time in history.

Basic Fact #2

The buying power of all newly created money is concentrated in the hands of a small number of people. This enables them to implement strategies that accelerate the transfer of existing wealth into their own hands.

Basic Fact #3

The price-fixing mechanisms for major assets are no longer working. The markets are heavily manipulated by vested interests, while the price of money (interest rates) is grossly distorted, which in turn is distorting a wide range of asset prices and causing an insane misallocation of capital.

Basic Fact #4

The existing system of financial accounting allows certain accruing liabilities to be ignored, future earnings to be factored into current prices, asset valuations to be set by institutions rather than markets, and credit to be treated as an asset without reference to counterparty risk.

Basic Fact #5

The banking system is being used to engage in widespread speculation, without any systematic oversight of the risks incurred or the real value and distribution of underlying assets.

Basic Fact #6

Credit creation over the past twenty years has been astronomical. This greatly magnifies the risks associated with Basic Facts 1-6.

Basic Fact #7

The world financial system is now critically dependent on the survival of a few dozen major banking institutions. Legislation is now in place in most countries that will allow these banks to expropriate client funds in a time of crisis (a mechanism known as "bail-ins"). When these various bail-in options are activated, wealth confiscation will occur on a staggering scale.

Many other salient facts could be added to this list, but if one grasps the implications of these seven, the fragility of the world financial system should be apparent.

We can get an idea of the crisis that is now unfolding by considering just one major international banking institution – Deutsche Bank. This bank, the largest in Germany, has a derivatives portfolio of \$75 trillion or thereabouts. This is 20 times Germany's GDP. Given the risks attaching to derivatives in today's volatile market, this is a truly stupendous figure. Compare it with Citibank, the largest US holder of derivatives, whose \$53 trillion is 'only' 3 times US GDP. Shares in Deutsche Bank are now trading at less than half what they were in July of last year. Huge write-downs and massive losses have done real harm to its reputation.

A few weeks ago its CEO found it necessary to do the unthinkable and issue an assurance that it would be able to pay maturing Tier 1 coupons due in April. This was a clear admission that it is facing serious liquidity problems – which is the last thing any bank wants to admit. There is not the slightest possibility that the German government could bail it out if it slid into a crisis. In fact, their total derivatives position is so great – 5 times the Eurozone GDP – that even the European Central Bank would be unable to prop it up. To top it all Deutsche Bank issued a note to its customers only a few days ago in which it referred to "rising stresses in the global financial system" and, given its own difficulties, made a bizarre recommendation: "Buying some gold as 'insurance' is warranted."

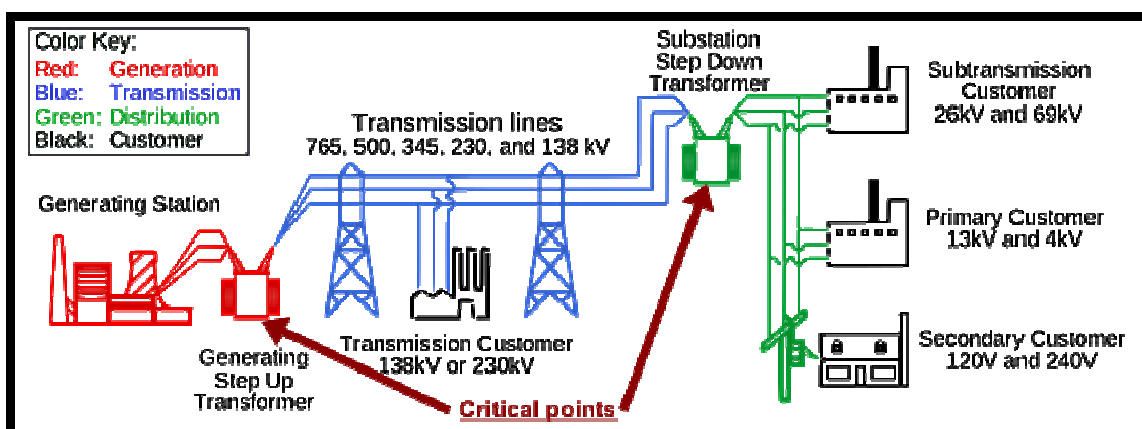
The interconnectedness of the world banking system is such that a crisis in Europe would quickly spread to Japan and then to the US. The shock would far exceed anything seen before in history. Banks all over the world would likely close for several weeks as G20 leaders, the IMF, and central bank governors tried to come up with a 'solution.' They will almost certainly activate the 'bail-in' option which would legally enable banks to expropriate client deposits and use them as a windfall, no-cost source of additional working capital. This would be tantamount to unconstrained capital confiscation – all with a view to keeping a broken system afloat for a little while longer. Private pension funds would also be vulnerable to expropriation in much the same way. After all such options are exhausted, and private wealth destroyed on a scale never seen before in history, the authorities will finally admit that the world banking system needs to be replaced.



Threat Number Two: The Fragility of the US Electrical Grid

This takes us to another highly interconnected system, the US electrical Grid.

There are about 19,000 electrical generators in the United States with a generation capacity of one megawatt or more. These are located at some 7,300 operational power plants. The following diagram shows the schematic layout of the US electric Grid:



The Grid has hundreds of 'extra high voltage' (EHV) step-up and step-down transformers, as well as thousands of additional lower-level transformers.

The sensitivity of the Grid to seemingly minor adverse events has been demonstrated on several occasions in the recent past. Consider, for example, the case of Dayton, Ohio in 2003. On 14 August four sagging high voltage power lines brushed against some tree branches. This caused an outage which cascaded throughout the north-eastern region of the Grid and left 50 million people without power for 2 days. This simple event shut down 508 power generational facilities, including 22 nuclear power plants.

Consider also the possible implications of a planned physical attack. A transformer substation near San Jose, California, was damaged by small arms gunfire on 16 April, 2013. This resulted in damage to several transformers but did not cascade across the Grid. Seemingly the assailants directed their fire at the liquid cooling tanks that keep the transformers from overheating. However, had they used high-velocity rifles, the outcome could have been much more serious.

The diagram above shows the two most vulnerable parts of the Grid, namely the step-up and step-down transformers. A transformer is a large device which, as its name suggests, converts the electricity from a high-current/low-voltage state to a high-voltage/low-current state (step-up) and back again (step-down). Since they handle a massively high voltage, over 700,000 volts in some cases, they can suffer severe damage if subjected to a sudden electrical surge (which can be triggered, for example, by a high-velocity projectile).

The Official Response

Even since 9/11, the security authorities in the US have been concerned that electricity transformers could become a prime target for terrorists. This concern was later downplayed by directing attention instead to the threat posed by an EMP attack. This led to the establishment of a commission by Congress to examine the question. Its findings were published in 2008: *Report of the Commission to Assess the Threat to the United States from Electromagnetic Pulse (EMP) Attack*.

The report lost much of its impact because it was based on a very hypothetical scenario – an EMP attack from a nuclear device detonated at high altitude. The far more obvious, low-cost option – a co-ordinated ground-based attack by sleeper cells – was never mentioned.

Nevertheless, if one takes the risks identified in the report and examines them, not in the context of an EMP detonation, but in the context of a co-ordinated nationwide attack on high-end transformers, the findings are very disturbing.

The following excerpts from the Commission's report show why every patriotic American ought to take this matter very seriously:

Continuous, reliable electrical supply within very tight frequency boundaries is a critical element to the continued existence and growth of the United States and most developed countries...

Today, the existing electrical system at peak demand periods increasingly operates at or near reliability limits of its physical capacity. Modern electronics, communications, protection, control and computers have allowed the physical system to be utilized fully with ever smaller margins for error. Therefore, a relatively modest upset to the system can cause functional collapse [*An incredible admission*]. As the system grows in complexity and interdependence, restoration from collapse or loss of significant portions of the system becomes exceedingly difficult...

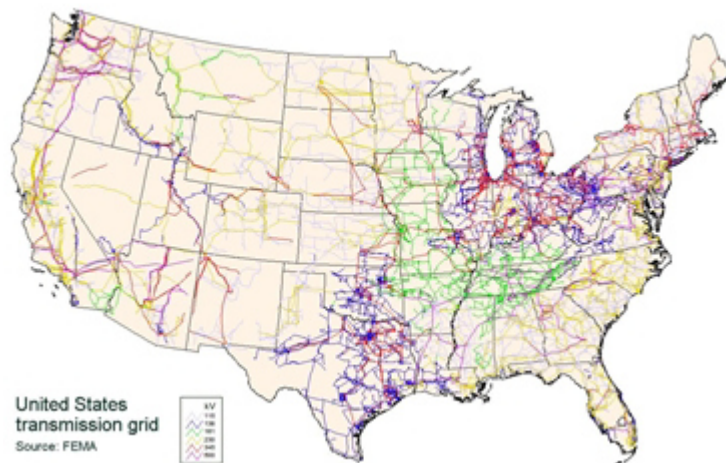
Should the electrical power system be lost for any substantial period of time, the Commission believes that the consequences are likely to be catastrophic to civilian society. Machines will stop; transportation and communication will be severely restricted; heating, cooling, and lighting will cease; food and water supplies will be interrupted; and many people may die. "Substantial period" is not quantifiable but generally outages that last for a week or more and affect a very large geographic region without sufficient support from outside the outage area would qualify.

Note carefully what the Commission is saying, that an outage over a large geographic region lasting a week or more would be catastrophic to civilian society.

No replacement transformers

If you thought that announcement was dramatic, then reflect on the chilling implications of the following section of the report:

The transformers that handle electrical power within the transmission system and its interfaces with the generation and distribution systems are large, expensive, and to a considerable extent, custom built. The transmission system is far less standardized than the power plants are, which themselves are somewhat unique from one to another. All production for these large transformers used in the United States is currently offshore. Delivery time for these items under benign circumstances is typically one to two years. [*Comment: One to two years!*] There are about 2,000 such transformers rated at or above 345 kV in the United States with about 1 percent per year being replaced due to failure or by the addition of new ones. Worldwide production capacity is less than 100 units per year and serves a world market, one that is growing at a rapid rate in such countries as China and India. Delivery of a new large transformer ordered today is nearly 3 years, including both manufacturing and transportation. An event damaging several of these transformers at once means it may extend the delivery times to well beyond current time frames as production is taxed. The resulting impact on timing for restoration can be devastating. **Lack of high voltage equipment manufacturing capacity represents a glaring weakness in our survival and recovery to the extent these transformers are vulnerable.** Distribution capability is roughly in the same condition although current delivery times are much less (i.e., limited manufacturing capability, although there is domestic production). [*Emphasis added*]



The report also notes that "No transformers above 100 kV are produced in the United States any longer. The current U.S. replacement rate for the 345 kV and higher voltage units is 10 per year; worldwide production capacity of these units is less than 100 per year." So, of 2,000 high-end transformers, only 10 are replaced every year, while worldwide production is of the order of 100 units. This means that if a network of terrorist cells "shoot up" a few hundred transformers in one night – instantly crippling the entire nation – there is not the slightest possibility that the Grid could be restored to an acceptable operational standard in the short term. [Anti-matériel rifles like the Gepárd M1 or the Barrett M82 can fire armor-piercing incendiary shells with great accuracy over a distance of a mile or more.]

There is no need for something as exotic as an EMP strike. Indeed, there is no need for any military involvement or advanced technical capability. No aircraft carriers, ballistic missiles, or invading armies are needed. No solar storms or cyber attacks. All that is required is a nationwide network of sleeper cells, comprising perhaps 4,000 members operating in teams of two, to bring the entire nation to its knees. As the Commission noted, an outage over a large geographic region lasting a week or more would be catastrophic to civilian society. Just a **week!**

Are they serious?

Are they serious? Just look at the facts. SNAP payments ('food stamps') would instantly cease, leaving 47 million people without food. Many millions in higher income brackets would also be caught without food supplies. Within days every store in town would be cleaned out and night-time looters would cause mayhem. Without electrical power, businesses and utilities would be unable to operate. Homes would be raided and houses set on fire. The water systems would cease to function. Cities would quickly become unlivable hell-holes. Armed gangs would roam the streets seeking victims. The police would have no means of communication. Many would not show up for work but would stay home to defend their families...and on, and on, and on. It is just too painful, too appalling to imagine where it will all lead.

Many in the electricity generation business are keenly aware of this threat and have been urging the government to take immediate action, seemingly without results. In a paper published just a few months ago in *EnergyWire*, industry analysts Blake Sobczak and Peter Behr stated:

It's no wonder large power transformers were singled out as the most vulnerable component in the bulk electric power system during security reviews after the Sept. 11, 2001, terrorist attacks.

Before a utility can think about packaging and shipping a transformer, however, it needs to have one on hand. Government reports warn that the existing inventory of spare transformers might not be enough to replace widespread equipment losses.

"Despite expanded efforts by industry and federal regulators, current programs to address the [transformer] vulnerability may not be adequate to address the security and reliability concerns associated with simultaneous failures of multiple high-voltage transformers," the Energy Department's Quadrennial Energy Review cautioned.

Urgent steps are still not being taken

The government should have taken urgent steps after 9/11, but these are STILL awaiting implementation –

- o The assignment of round-the-clock military personnel to guard high-end transformers.
- o Creation of an extensive back-up supply of essential spare parts and components, as well as replacement transformers for all major power plants.
- o The construction **within** the US of a manufacturing facility for high-end transformers.
- o The segmentation of the Grid so that a major failure in one region does not cause a cascade effect into neighboring regions.
- o The shielding of transformers from line-of-sight identification and ground-based ballistics.

In a 2014 report commissioned by EMPact America, the author, Brigadier General Kenneth Chrosniak (who served in Vietnam), stated:

"It is unfathomable that you have not been told of these threats by your leaders, especially the one agency entrusted to keep you informed and secure. That's right, the DHS. The threats to your electric grid are real, and have been known by the responsible agencies for too long."

The neglect is certainly "unfathomable." It is also treasonous. A grievous threat to the security and well-being of the United States has been completely ignored for more than 15 years!

When sceptics respond to the suggestion that the US could be vulnerable to an attack of this kind, they generally maintain that the enemy will "only awaken the sleeping bear" and that, when Uncle Sam retaliates, no one will be able to withstand him. But they miss the point. The enemy is planning to kill the bear while he is still asleep. They don't intend to let him wake up.

Conclusion

"Say it ain't so, Joe!" That what's a young boy reportedly cried to 'Shoeless' Joe Jackson as he left the Cook County courthouse. His hero had been caught taking bribes to throw the 1919 World Series.

The average person finds it next to impossible to think that their trusted leaders could betray them. They somehow think the US is immune to the wickedness that devastated the rest of the world during the 20th century. They think that, if the financial system is broken, their leaders will fix it, but this makes no sense if their leaders are complicit in its collapse! They also think that, if the electrical Grid is wide open to a terrorist attack, their leaders will take the necessary steps to protect it – but they have had 15 years to act and have done nothing!

So we can't say it ain't so.

Please take what steps you can to protect yourself and your loved ones. Since the financial collapse is likely to occur before the Grid goes down, buy as much silver as you can. Then, when the banks close, be ready to relocate (if necessary) before the second blow falls.

Will the LORD allow the hounds of hell to do this? Nineveh got a reprieve when she repented, but she gradually went back to her old ways and was destroyed in 612 BC. Samaria received countless warnings before judgment finally arrived in 722 BC. Jerusalem too refused to repent and was utterly demolished by the Babylonians in 586 BC. Do you see anything – *anything!* – in the USA today that would conceivably exempt it, in God's eyes, from the fate described?

This paper only presents the facts as we see them, nothing more. Perhaps our conclusions are wrong ... at least that's what they're saying in Cook County.

**"Go, and tell this people, Hear ye indeed, but understand not;
and see ye indeed, but perceive not." – Isaiah 6**

Jeremy James
Ireland
February 28, 2016

For further information visit www.zephaniah.eu

Copyright Jeremy James 2016