The Big Lie: America Has Defaulted on Its Debt FIVE Times—And a SIXTH May Be Imminent

By Nick Giambruno – October, 2025

"Since 1789, the United States has paid all of our bills on time," said former Treasury Secretary Janet Yellen. "In our history, we have never defaulted on our debt or failed to pay our bills," said President Biden's press secretary. "… the United States has never defaulted on its debt," wrote *The Washington Post*.

You hear it everywhere. The US has never defaulted. It's repeated by politicians. By bureaucrats. By the media. As if it were gospel.

But it's not true.

By the simplest definition of default—failing to make promised payments—the US government has defaulted. Not once. Not twice. But five separate times.

And now, the US is on the edge of its sixth default.

Default #1: The War of 1812 and America's First Debt Crisis

In 1814, the US government faced its first true debt crisis. The country was locked in a draining war with Britain, blockades paralyzed trade, customs revenue had collapsed (the primary income source at the time), and the government was struggling to raise funds.

Congress authorized new borrowing and began issuing Treasury notes—essentially IOUs meant to circulate as money—but investors were skeptical and demand was weak. A string of military defeats, capped by the burning of Washington in August 1814, only deepened doubts about the government's solvency.

When Alexander Dallas took over as Treasury Secretary that October, he was blunt about the situation. He admitted that "the dividend on the funded debt has not been punctually paid; a large amount of treasury notes has already been dishonored." In plain terms, the US had failed to pay interest on its bonds and could not redeem its short-term notes as promised.

It was the US government's first default.

Default #2: Lincoln's Debt Crisis and the Civil War Fiat Scam

During the War Between the States (1861–1865), President Abraham Lincoln introduced a fiat paper currency known as "Greenbacks" to finance the war effort. This marked a major departure from the gold and silver-based system that had defined US money.

The war demanded enormous financial resources, but the government lacked sufficient gold and silver reserves to cover costs. Traditional borrowing through bond sales proved insufficient, and policymakers were reluctant to impose heavy taxation on the public.

In response, Congress passed the Legal Tender Act of 1862, authorizing the issuance of paper money not backed by gold or silver. These notes became known as "Greenbacks" due to their distinctive color and were declared legal tender for all debts.

Bondholders and lenders suffered real losses as they were forced to accept payment in depreciating paper currency. Creditors who had expected gold and silver were forced to accept Greenbacks.

The US government did not outright repudiate its debt, but it altered the terms of repayment, forcing creditors to take unbacked paper currency worth far less than they were promised in gold and silver.

<u>It was the US government's second default.</u>

Default #3: Roosevelt Cancels the Gold Clauses in 1933

The Great Depression brought the next major default. By 1933, the economy was collapsing, unemployment was at 25%, banks were failing by the thousands, and the dollar was tied to gold at $20.67 per ounce. Many Treasury bonds—and countless private contracts—contained a "gold clause," promising repayment in gold or the equivalent value. For bondholders, this was protection against devaluation.

When FDR came into office, he declared a bank holiday, suspended gold convertibility, and soon after outlawed private gold ownership. In June 1933, Congress went further by nullifying all gold clauses in public and private contracts. That meant creditors who expected gold would instead be paid in paper dollars. In 1934, the Gold Reserve Act raised the price of gold to $35 per ounce, cutting the dollar's value by about 40%. Bondholders were repaid, but in money worth far less than what the government had promised.

When Treasury securities had been sold in prior decades, the explicit agreement was that repayment would be made either in gold or in paper currency equivalent to a fixed gold weight. By nullifying these clauses, the Roosevelt administration changed the terms of repayment unilaterally. Creditors who expected gold—or the equivalent of $20.67 per ounce—were instead paid in paper dollars that had been devalued.

The so-called "Gold Clause Cases" of 1935 went to the Supreme Court. In *Perry v. United States*, the Court admitted that the government had broken its contracts, but ruled—by a narrow 5–4 vote—that creditors had no damages since they were repaid in legal-tender dollars.

It was a legal dodge that avoided labelling the move a default, but the substance was clear: the government changed the rules and forced creditors to accept less than they were owed.

<u>It was the US government's third default.</u>

The truth is stark: the monetary system is self-destructing, and the people who run it know exactly how to turn that breakdown into control. Their endgame is a digital system that monitors and manages every transaction—and anyone who isn't prepared risks losing not only purchasing power but real freedom.

This report pulls back the curtain: what's happening, why it matters to you, and three practical moves you can make today to protect your savings and position for opportunity.

Default #4: The 1968 End of Silver Certificate Redemption

Silver certificates had been part of the American monetary system since 1878. They looked much like regular dollar bills but were labelled at the top with "Silver Certificate" and explicitly stated that they were "redeemable in silver to the bearer on demand."

For decades, these certificates were as good as silver coin.

But by the 1960s, US silver stocks were dwindling. Rising silver prices made it increasingly expensive for the government to honor its pledge. Congress stopped issuing new silver certificates in 1963, but existing notes remained in circulation. Then, in June 1968, the Treasury announced that silver certificates would no longer be redeemable for silver at all. Holders could still use them as legal tender, but the redemption promise—the feature that gave them unique credibility—was gone.

<u>The government had promised silver and instead delivered depreciating paper.</u>

Once again, the US unilaterally rewrote the terms of its obligations when the cost of keeping them became too high. This represented a unilateral change in the terms of payment—akin to the earlier episodes in 1862 with Greenbacks and in 1933 with the abrogation of gold clauses.

<u>It was the US government's fourth default.</u>

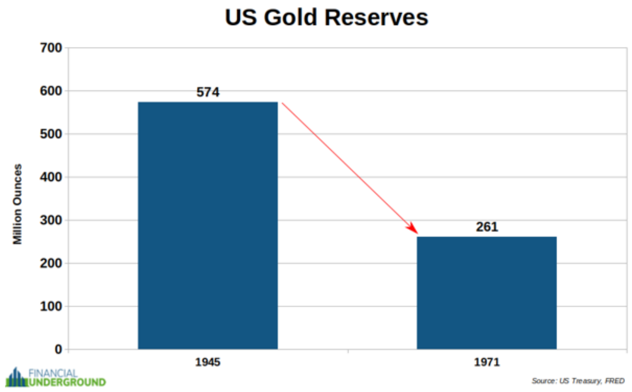
Default #5: The 1971 Nixon Shock and the End of Gold Convertibility

After World War 2, the US held by far the largest gold reserves in the world. Coupled with its victory in the war, this allowed Washington to rebuild the global monetary system around the dollar. The new framework, designed at the Bretton Woods Conference in 1944, tied nearly every major currency to the US dollar at fixed exchange rates. In turn, the dollar was tied to gold at $35 an ounce. The US government assured the world that the dollar was "as good as gold," and this pledge underpinned the global financial order for decades.

<u>But that promise was unsustainable.</u>

Massive spending on the Vietnam War and Lyndon Johnson's Great Society programs forced the US government to print more dollars than it could back with gold at the official rate. By the late 1960s, the number of dollars circulating abroad had vastly outstripped US gold reserves at the $35 promised price.

Foreign governments, including close allies like France and the United Kingdom, began redeeming their dollars for gold, accelerating the drain. Between the end of World War 2 and 1971, US gold reserves fell by more than half, plunging from 574 million troy ounces to around 261 million.



The US government faced a stark choice: honour its commitments and risk losing the gold that underpinned its financial and geopolitical power, or default on its promise to redeem the dollar for gold. **On a Sunday evening, August 15, 1971, President Richard Nixon interrupted scheduled television programming with an announcement that stunned the world. Nixon said he was temporarily suspending the dollar's convertibility into gold.**

The most obvious lie was Nixon's claim that the suspension would only be "temporary." It's still in place today. **Another egregious lie was that his move was necessary to protect Americans from international speculators. Instead, money printing to finance out-of-control government spending was the real problem.**

Lastly, Nixon said removing the gold link would stabilize the dollar. However, even by the government's own rigged inflation statistics, which understate reality, the US dollar has lost over 87% of its purchasing power since 1971. The truth is that Nixon defaulted on the US government's promise to redeem the dollar for gold at $35 an ounce. By closing the gold window, the US forced foreign central banks to accept settlement in depreciating paper rather than the gold they were entitled to.

<u>It was the US government's fifth default.</u>

Conclusion

Now you know the truth: America has defaulted before—and it's gearing up to do it again. Don't get caught flat-footed when the next crisis hits. The stakes today are higher than ever. What's coming next won't just reshape markets—it will directly impact your savings, investments, and personal freedom. That's why understanding the risks and preparing ahead of time is critical.

If the past is any guide, the response to a systemic shock won't be orderly. It will be fast, confusing, and designed to protect the system—not you. That's exactly when wealth is quietly transferred from those who are unprepared to those who saw the turn coming and positioned accordingly.

You can either let events dictate your future—or you can take decisive steps now to get on the right side of what's unfolding. This isn't about fear. It's about clarity. It's about recognizing the pattern—defaults masked by devaluation, rule changes in the dead of night, and "temporary" measures that become permanent—and acting before the crowd wakes up.

The window to prepare is open, but it won't stay that way for long.

America Is On the Brink of Its Worst Crisis in Nearly a Century

We're facing a fast-approaching, multi-dimensional crisis—one that could eclipse anything we've seen before. That's why we've prepared this urgent briefing. What follows may be the most important message you'll read all year.

It could dramatically reshape your understanding of what's ahead for America—and your financial future. Even Ray Dalio, founder of the world's largest hedge fund, has warned the coming crisis could be:

Bigger than what happened in 2008."

We believe that may be an understatement.

Here's the hard truth:

We are at a pivotal moment. What happens next could rewrite the rules for everything—your savings, your retirement, even your way of life.

We're likely to see:

- Wild volatility in the financial markets
- A wave of business failures and bankruptcies
- Inflation spinning out of control
- But this isn't just about a market crash or currency collapse.
- **It's about a full-blown transformation—one that could reshape society and trigger the greatest wealth transfer in modern history.**
- The truth is, it's already happening.
- Most people don't realize it. But those who do—and act accordingly—could emerge not just unscathed, but significantly wealthier.
- Those who remain passive, especially those nearing or in retirement, risk facing a financial catastrophe of historic proportions.
- **The decisions you make today could alter your future in ways most people won't understand until it's too late.** Here's the good news:
- You don't have to be a victim of what's coming.
- But you **must** recognize that conventional financial strategies may no longer work in this environment. In fact, they could prove disastrous.
- Now more than ever, it's crucial to cut through the noise and propaganda—to see the Big Picture with clarity and precision.
- History is full of examples of people who were blindsided in times of upheaval… not because the signs weren't there, but because they failed to act.
- **Don't be one of them.**

his briefing is designed to equip you with the information and tools to prepare—and even profit—from what's coming.

Let's be clear:

This isn't theory. We've seen this exact pattern play out time and again around the world—just on a smaller scale. When financial crises hit, they're unstoppable. But for those who see them coming, they can be a source of rare opportunity. **You don't have to get swept away by what's coming.**

If you understand the Big Picture—and act on it—you can:

- Avoid devastating losses
- Protect what you've worked hard to build

The key is to act **now**, before the window closes. Wealth isn't going to vanish. It's simply going to **change hands...**

From those who don't understand what's happening... to those who do. In fact, this historic transfer of wealth is already underway—and for most people, it could be financially devastating. **Learn more from Doug Casey. Research his writing………………..!!!! NOW!!!!!!!**