

The people who read this book will end up with your money.

Why? Because the coming inflationary depression will transfer the wealth from some people to others. This book will teach you how to be a transferee instead of a transferor.

This book wrote today's headlines last January.

How to Prosper During the Coming Bad Years was sent to the printer in November, 1978—and it contains tomorrow's headlines, and next year's. Incredible as it may seem, it forecast, with no "pussy footing" or escape-hatch hedging, the recession which began four months later in March, the meteoric rise of gold and silver prices, the spectacular inflation rates that are now scaring the wits out of us, and the recent energy crisis.

And it told you how to take advantage of the coming economic and political climate to preserve your wealth and even make a great deal of money. If you had invested \$10,000 in Mr. Ruff's basic financial survival plan on the publication date of this book, by July 15, you would have been 500% better off than if you had owned a CD or Treasury bill, and 767% better off than if you had bought stocks whose performance approximated the Dow Jones industrial average. And because the powerful trends that Howard Ruff has forecast are still in their early stages, there is time to get on board, if you act soon enough.

How to Prosper During the Coming Bad Years is the simplest, most fascinating, most incredibly accurate financial advice book of our times. It has been high on all the bestseller lists since it was published. And Howard Ruff, Publisher, TV Talk Show Host, Financial Adviser, dedicated family man, and now bestselling author, just may be one of the most interesting men of our generation.

He has been assaulted, misrepresented, and ridiculed in the press as "a doom-saying crackpot." His own TV show, **RUFF HOUSE**, has been cancelled from more than one station because of his "let-the-chips-fall-where-they-may" interviews and commentary. The CIA demanded a transcript of one show, and one Federal bank regulatory agency threatened to prosecute him for violation of an obscure 1938 law prohibiting criticism of the banking system. All in all, quite a wave maker!

But despite the censorship attempts and bad press and the refusal of serious reviewers to even acknowledge the existence of this "invisible bestseller," it has sold almost one-half million copies in hard cover; and legislators, giant insurance companies and concerned Americans of modest means, as well as the wealthy and powerful, have sought Howard Ruff's advice. His newsletter has over 100,000 subscribers and its growth is exploding. He spent two hours testifying on the energy crisis before a Senate Committee, where he was praised for his ringing defense of the Free-Enterprise System.

Just so you won't feel you are being asked to buy a "pig-in-a-poke," here's a sampling of Howard J. Ruff and his book **How to Prosper During the Coming Bad Years**. Even just reading this ad might make you a lot of money.

Excerpts:

You are reading this book because you are perceptive enough to sense that something is terribly wrong out there and you are one of millions of Americans with a growing sense of unease about the future. The institutions you always trusted are now giving you a queasy feeling. You are making money but you seem to have less, and you know all is not well. I congratulate you for your insight. I share your feelings.

Those who are making and influencing our economic policy are either acting in their own economic or political self-interest, are fools, or just plain wrong. The course that they have plotted can only end in fiscal chaos, and this book is an effort to chronicle these momentous events in advance. I want it to stand as a monument against this happening again in my children's or my grandchildren's lifetime.

I never have possessed to be infallible, but my track record says I'm right far more often than I'm wrong.

The United States is about to enter its greatest test period since the Civil War—an inflationary spiral leading to a depression that will be remembered with a shudder for generations, and whoever is President of the United States and presides over the collapse will be "the Hoover of the '70's and '80's," and the opposing party will be running against him for the next 50 years.

The likely scenario:

1. In the next recession, WHICH WILL HAPPEN SOMETIME SHORTLY AFTER THE PUBLICATION OF THIS BOOK (January, 1979), it will appear that recession and unemployment are threatening the public welfare. Washington will react in panic fashion to attack the problem by cranking up the money and spending machine to "stimulate" the economy—a bit of "the hair of the dog that bit us." This will result in a flood of newly created money, which is the engine of inflation. You will see a runaway inflationary spiral, to be followed by another government panic move—price controls.

... a pure printing press economy ...

The inevitable result of price controls is shortages. Milton Friedman has said, "Economists may not know how to stop inflation, but they know how to cause shortages. Simply impose price controls." This will lead to black markets and further breakdown in the respect for law and order on the part of middle class Americans.

Controls will fail. These distortions in the economy, and the dollar floods coming from the printing press, will cause Americans to distrust their own paper money and get rid of it as fast as they can in an orgy of spending, similar to what

happened in Argentina when their inflation was running at 800% a year and they were buying everything in sight. Eventually our credit economy will turn into a pure printing press economy (I'll explain how in Chapter Two) Sooner or later, the American currency will collapse.

Eventually order will be re-established, and painfully the nation will climb back out of its pit, hopefully chastened and prepared to avoid the mistakes of the past for 50 to 100 years, but paper fortunes will have disappeared.

I'd like to tell you (1) how we came to this brink, (2) why this is the most likely scenario, and (3) what you can do to get through it, and even get wealthy.

This is no "ball-out-of-civilization-and-head-for-a-retreat-in-the-Rockies-with-a-machine-gun-turret-on-the-roof" plan. And this program is not just for the rich. There are obviously some things that you can't do if you don't have some money, but the basics will substantially raise the odds on personal and financial survival and can be implemented by nearly everyone.

... a time of great opportunity ...

I will give you a total strategy, a plan that should get you through to the other side in enhanced financial condition.

I am not forecasting the end of the world, the end of Western civilization, or even the end of the American dream. The nation has survived a Civil War, three total monetary collapses, several depressions, and we have gotten through. The inherent strength of America is incredible.

PART I describes the problems we face, forecasts what's coming, then presents the case for my scenario. You will learn why more and more people are beginning to realize that the traditional "widows and orphans investments" such as blue chips, utility stocks, bonds, certificates of deposit, cash value insurance, and even your I.R.A. and Keogh accounts are crummy investments for the immediate future and for some time to come. **PART II** deals with the basic strategy for **PERSONAL SURVIVAL** through the most difficult early stages of the confused and disrupted marketplace.

PART III will tell you how to hold your own financially—to preserve the purchasing power of your investment assets. You win the inflation game if you break even in purchasing power, after taxes and expenses. It's a low risk, low-management-time strategy for maintaining your purchasing power through the inflation period in order to take advantage of bargains at deflated depression prices later.

PROBLEMS

INFLATION—THE GREAT TRANSFER TAX Inflation is *not* an increase in prices, although prices do increase. IT IS A DECREASE IN THE VALUE OF YOUR MONEY. It means that every dollar buys less. This is not the first time it has happened. Inflation has brought down civilization after civilization. In the reign of Diocletian, around 300 A. D., this letter was written by a Roman businessman to his agent in Gaul (France): "Hurry and spend all the currency you have. Buy me goods of any kind at whatever price you find them."

The value of money was dropping relentlessly and he wanted possessions, not cash, because the Roman Empire had been hit by such violent inflation that, to quote Emperor Diocletian, there were "increases in prices, not only year by year, but month by month, day by day, almost hour by hour and minute by minute."

... you have been conditioned to live in a money world that no longer exists ...

Borrowers who use borrowed money productively and cautiously to invest in counter-cyclical investments will do just fine. They will pay off their loans with cheap dollars, and build fortunes through leverage.

Those who invest early in chaos or disaster hedges do best of all, especially if they use leverage wisely for those things to which people instinctively turn when the value of paper money is diminishing in an attempt to beat the loss of purchasing power that inflation brings, and in fact, that inflation is.

Investors in small town real estate also will do well. The quality of life in large cities will deteriorate, for reasons I'll explain later, and there will be an exodus of middle-class money, talent, and investments to the small towns of America.

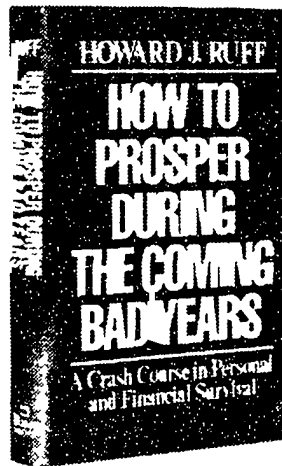
... the only thing that's going up ...

Anyone who gets through all this "even with the game" is a winner. There will be incredible bargains in stocks, bonds, real estate and a myriad of other things, which we will discuss later, for those who had the foresight just to preserve their purchasing power.

Will Rogers said, "Invest in inflation, it's the only thing that's going up." And that's a very sound principle. There are ways to ride to wealth through inflation.

A WORLD TURNED UPSIDE DOWN: If an unsophisticated widow goes to a conservative financial advisor or trust officer of a bank, trying to get income with safety from a \$100,000 insurance policy, he will probably give her a "conservative" portfolio consisting of AAA government, municipal, and corporate bonds, Blue Chip stocks such as General Motors, AT&T and the like, and perhaps some utility bonds or preferred stocks. If he's really daring, he might suggest 10% second mortgages or a few AA or A rated bonds for higher yields. Some money would go into long-term C.D.'s and a small amount in demand deposits. Over-all, if he did a super job, she might get 8½% yield, which would give her \$8,500 in income to supplement her Social Security check.

That's the conservative way to do it. If anything went wrong, the advisor would be blameless, as he was "conservative." But you have been conditioned to live in a money world that no longer exists. The financial world is turned upside down. That portfolio will eventually destroy you, as surely as if you periodically walked into the bank, and burned some of your money. And inflation is the villain.



THE STOCK MARKET: The stock market has been deathly ill since 1966. At that time the Dow Jones Industrial average peaked at a little over 1000 and it has been struggling ever since. If you adjust stock prices for inflation, in order to regain the purchasing power equivalent of the 1966 Dow Jones today, the Dow Jones would have to go to almost 2000. The market price stability of the "widows and orphans" stocks is a thing of the past.

... a glorified set of bookkeeping entries ...

Social Security is the most dishonest, reprehensible, deceitfully unsound scheme ever foisted by government upon a trusting public—a fraud so huge that the imagination is inadequate to grasp it. The Social Security trust fund is nothing more than a glorified set of bookkeeping entries.

Social Security payroll deductions are simply another method of raising money to fund the government's general needs. Your FICA payroll deductions went for Defense, Agriculture, FTC, EPA, etc., as well as Social Security benefits.

But the real fraud is the fact that the system is really a gigantic chain letter. Chain letters operate under the assumption that when you add your name to the bottom of the list and send your dollar to the guy at the top, enough other suckers will add their name under yours so that eventually your name will rise to the top and you will get money from those at the bottom. It pays off only if others fall for it. Sooner or later it sputters to a stop and the last guys in lose out.

The Social Security System operates under the same premise. The money taken from you is used to pay benefits to those who are currently receiving benefits, including many who have paid nothing into the system.

I am not so much worried that the Social Security System will collapse but that it will be the cause of the nation's bankruptcy, because it is the single largest obligation of government, and the debt defies description.

According to the most recent Federal Statement of Liabilities, (issued by the Treasury Department every two years) the Social Security System has approximately \$5 trillion in unfunded obligations.

... the cause of the nation's bankruptcy ...

The on-going soap opera being played out in New York City is perhaps the most significant financial event of the last half of the twentieth century.

We have accumulated a staggering mountain of municipal debt. As we have seen, history records no instance of public debt of this proportion having been paid off in anything other than worthless paper. It has become a game of Old Maid. They will continue "rolling over" their debt until no one is willing to lend, and the last investors are left holding lousy paper.

The future of America is in its small towns. That's where your money should be invested.

Virtually all big city and expensive suburban real estate investments are high risk for the future due to the deteriorating quality of life in the cities, the inevitable reduction in urban services such as police, fire protection, etc., and escalating insurance costs. In the meantime, prices in small town America will probably remain relatively stable or even rise in the face of a collapsing real estate market in the big cities. When it is over, there will be some tremendous bargains.

DON'T BANK ON IT: The FDIC guarantees over \$750 billion in bank deposits. The total amount of money in the FDIC insurance fund is only about \$6 billion, but it has statutory authority to borrow up to \$3 billion more from the treasury in case of an emergency.

It would take only 1.2% of the nation's deposits to be wiped out through banking failures and the entire FDIC fund would be penniless.

If one or two of the nation's top ten banks got in bad trouble, there wouldn't be enough money in the FDIC fund to save them.

... total dictatorial powers ...

POWER TO THE PRESIDENT: Let's look at some of the government's contingency plans for the kind of troubles about which we are talking.

There is a mechanism already in place which would give the President total dictatorial powers to solve any problem, real or anticipated. He can ration fuel, control wages, prices and rents, prevent transfers of money, seize gold, silver and stored food, or by simple declaration do almost anything which the government can put together the machinery to implement. This frightening document, now the law of the land only awaiting declaration, is called "Executive Order #11490."

SIN-TAX: The changing value that concerns me as an economic factor most is the sexual revolution because it is an assault upon the basic nurturing unit of society—the family—and it has financial consequences that are awesome to contemplate.

Much of what organized religion calls "sin" is a set of essential behavioral standards. Violation of these standards leads to fiscal instability, confiscatory taxation and to inflationary ruin. We have no choice but to study human moral and ethical behavior, along with traditional economics when we try to understand the present and forecast the future.

PRESERVATION

Whether or not inflation is good or bad for you depends on whether or not you own some of those things which are inflating in price. I am convinced that we can be standing on the right side of the financial balance sheet and we can end up with our assets intact, as well as our personal health and safety.

GOLD AND SILVER COINS: Gold and silver are counter-cyclical to paper investments. That means that price-wise they move in the opposite direction to paper. If inflation is running rampant, war is imminent, or people are uncertain about the stability of their political institutions, the price of these metals tends to rise.

... gold and silver always come back ...

Paper currencies rise and fall, but gold and silver always come back—generally after the collapse.

The stock market and the gold price are almost exact mirror images of each other. The price of gold also tends to rise in tandem with increasing interest rates.

As is always the case, I receive no financial benefits from my commercial recommendations, as a matter of deliberate editorial policy so that no conscious or unconscious bias will creep into my recommendation.

PERSONAL DEBT: How can you safely take advantage of the bias towards borrowers in an inflationary spiral? Like porcupines in love. Very carefully. In theory, the best thing you could possibly do is go heavily into debt and pay it off with worthless dollars, but there are some big potholes along the way.

... panic-proof your life ...

PANIC-PROOF: I simply cannot for the life of me understand how people can recognize our potential problems and somehow believe that the marketplace will still function normally. My whole program is designed to panic-proof your life.

I am not as concerned that you move from the city as I am that you should not have your money tied up in real estate equities in the city. Being off by yourself in a retreat seems dangerous to me. If there is no national anarchy a retreat is unnecessary. If there is anarchy (possible, but not probable), roving bands would look for isolated homes.

We should never lose our feeling for the sanctity of human life. The one thing that must survive all these difficulties is the collective values that make nations governable.

It is moral to stockpile goods (in anticipation of shortages and as an inflation hedge) in times of surplus. If you wait until there are shortages and scramble to grab more than your share of the limited available supply, that's "hoarding" and that's immoral, and the government may even make it illegal by rationing.

STRATEGY

THE BREAK-EVEN-OR-BETTER-STRATEGY: Our basic strategy is very simple.

All you need to know are two things: are interest rates rising or falling, and is the rate of inflation rising or falling? Fortunately, for our decision-making process, we live in an era of broad waves where intermediate trends, once determined, can be counted on to last for one to three years.

This can be a time of great opportunity right now and more times of opportunity will come when things bottom out. Your job then is to be sure that you and your family have the security and the assets to take advantage of the opportunities now and on the other side of the gulf that yawns before us.

By reading **How to Prosper In The Coming Bad Years**, you still can protect yourself and prosper in the years to come.



Howard Ruff

You can start your save-your-financial-skin program now by making a no-risk, high-return investment.

You can profit from this man's courageous insight and sound advice for the outrageously reasonable sum of ten soon-to-be-worthless dollars, which includes postage and handling.

Howard Ruff's book should be in bookstores, but it's selling so fast they're often out, so you can order it from us.

If you would like a no risk examination of **HOW TO PROSPER DURING THE COMING BAD YEARS**, simply fill in the coupon and mail it along with your check, or you can use your Visa or Master Charge card. If you don't like the book, just drop us a note saying, "I don't think it's worth the money," and a full refund will be on the way within ten days of the time we receive your request. You don't even have to explain why. And you can keep the book! That's how confident we are that this book will change your life.

Act now, and soon you'll be reading next year's headlines. You could lose your future to inflation if you don't learn the new rules. Can you afford to be without this man's advice?

Terry Jeffers
Target Publishers

Mr. Terry Jeffers, President, Target Publishers
P.O. Box 2000, San Ramon, California 94583

Please send me _____ copies of Howard Ruff's bestselling book, **How To Prosper During the Coming Bad Years** (New York Times Books) at \$10.00 per book. My money will be refunded if I don't like the book (and I can keep it).

My Name _____ Phone _____

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I have enclosed a check or money order for \$ _____, payable to Target Publishers.

Charge \$ _____ to my VISA No. _____ for _____ copies: Exp. Date _____

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Quotes:

"Howard Ruff finally takes the 'con' out of economics. He is not only one of the most interesting observers of our economic system and what makes it tick, he writes about it in his own 'no nonsense' manner which every working man and woman can appreciate and understand."

Howard Jarvis

"I think your forte (besides being a good writer) is that you are "centered" and very sane. This kind of a book from some right wing kook could be shoved off as just another frightening look into "a cracked crystal ball." But with your measured, practical way of looking at both sides of all issues, the book takes on real authority."

"The book should be mandatory reading for the U.S. House and Senate"
Richard Russell
Editor, Dow Theory Letters

"This book is a declaration of independence from a swiftly shattering economy I think I'd rather adventure with the American crisis than suffer from it. Howard Ruff's book helped me understand the choice to be made and how to make it."

Richard Bach
Author of *Jonathan Livingston Seagull*

"Ruff's book affords a no-nonsense second opinion... While most doomsayers (and Ruff is an optimistic realist, in my opinion, rather than an emotional hand wriener) project insurmountable problems ahead without offering a solution, Ruff details a four-point program to ensure survival—and possibly prosperity—through the adversity he sees ahead."

The Christian Science Monitor
Wednesday, July 18, 1979

"If Howard Ruff is right, and he probably is, America stands at its most critical cross roads since 1860. If significant numbers of American's took his survival and investment advice, the economy of this nation could be substantially redirected. This is an important book—so crystal clear that it needs no room for misunderstanding. I couldn't put it down. Read it if you want to know why inflation is out of control and who are the real villains who conceived it and are still causing it."

Orrin Hatch, Senator (R), Utah

"Howard J. Ruff has written a most useful book called **HOW TO PROSPER DURING THE COMING BAD YEARS**. It is a clear and readable analysis of the sickness of the dollar, and a detailed strategy for protecting yourself against it."

Jesse Helms, Senator (R), N.C.

"Ruff, who is causing somewhat of a sensation on the West Coast, does serve a very real purpose... He will deserve our thanks like Joseph of Holy Scripture."

Ralph De Toledano, Copley News Service

"I have given copies of **HOW TO PROSPER DURING THE COMING BAD YEARS** to all of my children. I deeply appreciated the moral perspective on our economic picture. If we don't capture the inflationary monster Howard Ruff says we've let out of the cage, the Constitution will soon hang by a thread. He is right. Inflation is a moral issue, and we have a moral obligation to fight it tooth and nail."

Ezra Taft Benson
Former Secretary of Agriculture

"... Explanations simple enough for the layman to understand, realistic and to the point... It is written in a clear and simple manner."

Phil Crane, Congressman (R), Illinois
Presidential Candidate

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John Exter
Former Member, Board of Governors
Federal Reserve Bank

It contains, in addition to a well-deserved warning about inflation, some sound financial advice to help an inflation-weary investor and an eloquent plea for fiscal security."

George Bush, Former CIA Director
Presidential Candidate

Some of his advice has gotten Ruff in trouble with various federal agencies. For instance, he has been threatened by banking authorities for advising people not to keep their money in savings accounts. He's not popular with stockbrokers, since he insists the market is a dangerous place to invest money, or with Social Security officials, since he points out that the system essentially is broke and pays its debts—pension checks—with printed money that is worth less and less each month."

William Schiffman, Chicago Tribune

"One way or another he has spent much of his life preparing to write the book, which is a manual of unorthodox advice and investment tips on how to hedge against inflation."

The New York Times Review of Books