A Disclaimer:

I want to keep my word with you. I know you understand that I receive interesting and timely news items from friends all over the world. Most of these items appear to have prophetic relevance. Others are of particular interest in the field of Science, Health & Nutrition, Devotional themes and some touches of Humor.

With a bit of hesitation, I am forwarding some of these items to friends like you via email. My concern is this: some persons who will receive or read the items I choose to forward will assume that I endorse, approve or believe every "iota," and that I am endorsing the author or source. This simply is not true! As you read, you must be discerning, choosy, discriminating and use common sense. If you are going to quote someone, quote the source -- I am not the source, I am the reporter . . . --CW

Into the Economic Abyss
By: Brandon Smith / Alt-Market.com / April 25, 2011

"Over the past few years, mainstream analysts have shown a tenacious blind faith in the U.S. economy and the dollar that goes far beyond religion to the point of mindless cultism, so, when even they begin to question the future of American finance (as has been occurring more and more everyday), you know it's time to worry.

"Until now, the mainstream media has provided nothing but economic fantasy for the masses. They have satiated the public with what amounts to financial toddler talk for helpless preschool minds averse to any research beyond their daily 15 minute sippy cup of New York Times, CNN, MSNBC or FOX cable news sound bites. With gasoline nearing $5 a gallon, grain prices doubling, and shelf prices beginning to skyrocket, it's hard for even the most ignorant suburban schlep to remain oblivious to the problem anymore. We are no longer on the edge of the abyss: we have fallen into it head first . . ."
IMF bombshell: Age of America Nears End
By: Brett Arends / Market Watch.com / April 25, 2011

BOSTON (MarketWatch) -- The International Monetary Fund has just dropped a bombshell, and nobody noticed.

"For the first time, the international organization has set a date for the moment when the 'Age of America' will end and the U.S. economy will be overtaken by that of China.

"And it's a lot closer than you may think.

"According to the latest IMF official forecasts, China's economy will surpass that of America in real terms in 2016 -- just five years from now.

"Put that in your calendar."

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Give Me Something Nice!
Back to Mardi Gras in New Orleans

If there were no other evidence to tell us how close we are to the end of all things, it would be the rate at which time is hurtling into the past. It does not seem like a year since we were in New Orleans giving away books at Mardi Gras. But there again came the call, "Are you going to give away books during the parades?" And our response, once again: "Absolutely!"
Over the past few years, mainstream analysts have shown a tenacious blind faith in the U.S. economy and the dollar that goes far beyond religion to the point of mindless cultism, so, when even they begin to question the future of American finance (as has been occurring more and more everyday), you know it’s time to worry. For those that have been following my work since 2007, the events of the past few months have not been a surprise at all, however, for those just waking up to the ongoing implosion of our fiscal infrastructure, the bubbling inflationary meltdown just over the horizon and the nightmare unfolding around our national debt is rather shocking. Living through a full spectrum catastrophe is, to say the least, confusing, especially when you have no idea where the whole thing began.

Until now, the mainstream media has provided nothing but economic fantasy for the masses. They have satiated the public with what amounts to financial toddler talk for helpless preschool minds averse to any research beyond their daily 15 minute sippy cup of New York Times, CNN, MSNBC or FOX cable news sound bites. I mean, have you ever actually stopped and read a Paul Krugman article more than once? Or listened carefully to an MSNBC economic piece? It’s like being violently accosted by a band of slobbering mental deficients with securitized ARM mortgages stuffed in their pants. Of course, fewer and fewer people are now buying what these hucksters are selling. With gasoline nearing $5 a gallon, grain prices doubling, and shelf prices beginning to skyrocket, it’s hard for even the most ignorant suburban schlep to remain oblivious to the problem anymore. We are no longer on the edge of the abyss; we have fallen into it head first…

I make this statement not for effect, not to startle people out of their apathy, not even to illustrate what “may” be coming around the bend in the near future. I make this statement as directly and sincerely as I know how; we have indeed crossed the line between economic weakness and economic catastrophe. For those of you who have been asking when the final stage of the economic collapse will begin, that time has arrived. Here is why…

Energy Inflation Overdrive

Here’s how to tell when inflation is about to run out of control in your country: wait for the politicians and bankers to begin making excuses for its consequences instead of pretending it doesn’t exist! Remember after the initial 2008 spike in oil prices when we talked about the prospect of “speculation” as the culprit? Remember also that I have pointed out for the past three years at Neithercorp Press that when the dollar eventually began to crumble, and the price of crude began to spike again, the government would try to blame speculators as the scapegoat hoping that Americans would assume the situation today was the same as it was in 2008?

Well, guess what? The Obama Administration has just initiated the first volley of “speculation” propaganda talking points by tapping the Department Of Justice among others to “investigate” possible trader fraud and speculation in the price destabilization of oil:

Ah! So it’s those devious “traders” and “speculators” out there in the ether that are driving up the price of oil, and don’t worry folks, ole’ Barry is on the case! Little mention of OPEC’s general distaste for current U.S. activities in the Middle East. And certainly, no mention of the dollar’s continuous sharp decline over the past two months from the White House as being even remotely responsible for you being robbed at the gas pump. The dollar, despite intervention by G7 countries, continues to depreciate against the Japanese Yen, and has also slid to a 15 month low against the Euro:

At the publication of this article the Nymex crude index is at around $113 a barrel while the Brent
The crude explosion in 2008 lasted for around six months, peaked at around $4 a gallon, and then ended with a deflationary-like plunge precisely because that price spike WAS (for the most part) caused by speculation. This time, expect no peak. Only an endless steady climb as the summer months progress. We have been calling for an increase in oil costs far exceeding the $150 a barrel achieved in 2008 and we stand by that prediction.

Negative aspects of energy inflation will take hold much faster than in 2008, primarily because our economic foundations are even weaker than they were three years ago. Today, we not only have a massive and unsustainable national debt, and a credit crisis still unresolved, but also a privately controlled Federal Reserve with no oversight running amok, printing non-stop since the derivatives bubble first popped. Not even the dollar’s fake reputation as a safe haven investment can stall the collapse now.

High energy costs hit every conceivable sector of the economy, from freight, to food, to vacations, to housing. People drive less when it costs them twice as much to do so, which means less shopping, fewer trips to Disney World, and second thoughts about moving to a new home in a new state. The cost of producing goods hits wholesale prices, which eventually hit retail prices when corporate chains are no longer able to absorb the increases. Your electric and heating bills take a bite right out of your tender behind. All of these factors will snap the thin thread our system is clinging to. America, as we know it, WILL NOT survive $5-$10 gas. Period.

To Default, Or Not To Default

Should the debt ceiling be raised? Should it be frozen in place? Frankly, in the short term, these questions are irrelevant. In either case, the taste and feel of the resulting chaos will be the same. Holding the debt ceiling in place will at least (in theory) stop the Federal Reserve’s printing bonanza. If the Treasury can’t continue borrowing from the Fed, then the Fed has no means to continue creating debt or fiat (my suspicion though is that they would find a way around this). A national default would result. The U.S. Treasury Bonds held by governments around the world would become essentially worthless, the dollar would lose its reserve status, plummet in value, and hyperinflation would result.

If the debt ceiling is raised yet again, the Fed will persist in its quantitative easing programs until the dollar is dust, or foreign central banks lose all interest or respect and begin a dollar/treasury dump, again resulting in hyperinflation or Stagflation. Today, news has hit the wire that officials in China are discussing a reduction of their large forex (Foreign Exchange) reserves to around $1 Trillion and diversifying away from the Greenback:


To put this in perspective, China currently holds around $3 Trillion in various bonds and currencies, a large portion of them U.S. dollars. This means that China is now considering cutting its reserves by over two-thirds! Can you guess where the majority of those cuts are going to come from…? This is devastating news for the dollar!

It is perhaps not a coincidence that this news comes right after the S&P changed its debt rating outlook for the U.S. to negative. At the beginning of this year, the Obama Administration and the Treasury made it clear that rating agencies would be ignored when it came to their analysis of the American debt situation. Rather convenient since this was right before U.S. default became a stark reality in the face of budget battles and the falling dollar. Ironically, despite the government’s insistence that ratings agencies view no longer mattered, the White House still attempted to pressure the S&P to back down from its recent announcement:


Fitch has also warned that the U.S. “official” debt to GDP ratio is around 100%, an impossible position for any nation to maintain and still hold onto a AAA credit rating. As long as we continue to spend at the rate of a trillion dollars or more a year (not counting Fed stimulus spending which is mostly unknown), and the so called GOP leadership is willing to compromise cuts down to a pathetic pantywaist $38 billion, you can bet the ratings outlooks will grow much worse in the coming months. That said, if you see what I see; the endless stream of evidence asserting a deliberate destruction of the U.S. economic structure and the dollar as a pretense to remove it as the world reserve and replace it with a basket of currencies under the control of the IMF, then the government’s seeming fiscal madness and its complete inability to heed the wishes of the people it is supposedly tasked with defending makes perfect sense. To put it simply, they represent globalist interests, not our interests. Shocking…I know. But then again, I’m just a crazy kooky conspiracy theorist doom monger terrorist puppy killer….

But at least I’m not a liar…

Alternatives: Ours And Theirs

Nothing scares the hell out of me more that $1500 an ounce gold and nearly $50 an ounce silver. I mean, I’ve been predicting it since the credit collapse, and I’ve been begging people to buy precious metals for the better part of three years. Its one thing to know that such inflation is coming, but it’s another thing to witness it first hand. If you took my advice to buy silver back in
coming, but it's another thing to witness it first hand. If you took my advice to buy silver back in November of 2010 at $25 to $27 an ounce, for instance, then your investment has just doubled. It's barely been six months!


Despite incredible market manipulation, precious metals have fought back and are now on the path to historical highs. Even if you are a holder of P.M.'s, though, this is not good news for the country.

There are two reasons why international banks like J.P. Morgan have consistently manipulated the market value of gold and silver down (and been caught in the act). First, global bankers strive to remove all competition from any economic system, and this includes forms of currency. Gold and silver have long been competing forms of currency to fiat paper. Therefore, banker attacks on metals are a given. The less viable gold appears to be as an investment, the less people will take it seriously as an alternative to the dollar. You must be forced to believe that only dollars hold "tangible value", otherwise, Americans would realize they don't need the dollar (or any fiat currency) at all.

Second, commodities like gold and silver are traditionally prime indicators of inflation and dollar devaluation. Skyrocketing commodities mean poor monetary policy. Thus, manipulation of metals downwards helps to hide poor monetary policy. The doubling of silver in only six months despite this manipulation, along with the doubling of most other commodities in the past two years, is not just a sign of destructive inflation, it is a guarantee.

As the dollar heart attack nears a climax, many individuals as well as sovereign states are turning towards precious metals and alternative markets as a way to hedge against a Weimar-style fiscal fiasco. At the same time, globalists are introducing their own "solutions" into the mainstream. Joseph Stiglitz of Columbia University has come out against the dollar, calling for an end to its world reserve status as well as the implementation of a new "global system":


George Soros has done the same at his Bretton Woods II conference, which received almost no initial publicity despite four major journalists on the speaking list, including the editors of both Reuters and The Times, calling for the "global regulation of financial systems", as well as the formation of a "New World Order":

http://www.guardian.co.uk/politics/2008/nov/14/g20-summit-key-aims-imf

So, you have the American people pulling towards transparency and sovereignty, and you have the globalists pulling towards more secrecy, more unaccountability, and more centralization. Story as old as time, right? Perhaps the stakes are higher this go-around...

If global banks have their way, we are facing, at minimum:

- Full Housing Collapse
- Full Credit Collapse
- Grid Failures
- State And Municipal Defaults
- National Default
- Energy Crisis
- Food Crisis
- Civil Unrest
- Increased Crime
- Reduction Of Civil Liberties
- Martial Law

How these incidents play out in the end is dependent upon the reactions of the citizenry. Placation will result in the complete loss of Constitutional freedoms. Rage could result in civil war. There are no easy answers. There are no magic bullets that remove all obstacles. This is the reality we are facing in the near term, and there is little left to question. I am personally shifting away from economic analysis because I feel that the problems are so numerous and so evident that it makes little sense for me to point them out much longer. The elephant in the room has been noticed.

If ever there was a time for solutions and action, it is now. From my perspective, the best bet for short term protection against inflation and dollar collapse is for communities and hopefully states to begin decoupling from the diseased system entirely. This means localized markets, self sustained neighborhoods and towns, as well as sound money legislation and nullification bills at the state level. It means average Americans taking responsibility for their own food, energy, money, and defense. It means pursuing the exact opposite of what international bankers are suggesting; a global version of the Federal Reserve with prolonged fiat slavery.

Again, we have crossed the line. Every concrete economic signal and index I know of shows the avalanche is no longer building but in progress. Prepare now, or not at all.
IMF sees China topping U.S. in 2016

According to the latest IMF official forecasts, China’s economy will surpass that of America in real terms in 2016 — just five years from now. Brett Arends looks at the implications for the U.S. dollar and the Treasury market.

And it’s a lot closer than you may think.

According to the latest IMF official forecasts, China’s economy will surpass that of America in real terms in 2016 — just five years from now.

Put that in your calendar.

It provides a painful context for the budget wrangling taking place in Washington right now. It raises enormous questions about what the international security system is going to look like in just a handful of years. And it casts a deepening cloud over both the U.S. dollar and the giant Treasury market, which have been propped up for decades by their privileged status as the liabilities of the world’s hegemonic power.

More China news: U.S., China to hold economic talks in early May, Shanghai hit by tightening, China 2011 trade surplus may shrink to 2% of GDP

According to the IMF forecast, which was quietly posted on the Fund’s website just two weeks ago, whoever is elected U.S. president next year — Obama? Mitt Romney? Donald Trump? — will be the last to preside over the world’s largest economy.

Most people aren’t prepared for this. They aren’t even aware it’s that close. Listen to experts of various stripes, and they will tell you this moment is decades away. The most bearish will put the figure in the mid-2020s.

But they’re miscounting. They’re only comparing the gross domestic products of the two countries using current exchange rates.

That’s a largely meaningless comparison in real terms. Exchange rates change quickly. And China’s exchange rates are phony. China artificially undervalues its currency, the renminbi, through massive intervention in the markets.
IMF bombshell: Age of America nears end - MarketWatch http://www.marketwatch.com/Story/story/print?guid=25965F12-6D1A-1...
have a state-guided form of capitalism, and we have a much freer former of capitalism.” What we have seen, he said, is “a massive shift in capability from the U.S. to China. What we have done is traded jobs for profit. The jobs have moved to China. The capability erodes in the U.S. and grows in China. That’s very destructive. That is a big reason why the U.S. is becoming more and more polarized between a small, very rich class and an eroding middle class. The people who get the profits are very different from the people who lost the wages.”

The next chapter of the story is just beginning.

U.S. spending spree won’t work

What the rise of China means for defense, and international affairs, has barely been touched on. The U.S. is now spending gigantic sums — from a beleaguered economy — to try to maintain its place in the sun. See: Pentagon spending is budget blind spot.

It’s a lesson we could learn more cheaply from the sad story of the British, Spanish and other empires. It doesn’t work. You can’t stay on top if your economy doesn’t.

Equally to the point, here is what this means economically, and for investors.

Some years ago I was having lunch with the smartest investor I know, London-based hedge-fund manager Crispin Odey. He made the argument that markets are reasonably efficient, most of the time, at setting prices. Where they are most likely to fail, though, is in correctly anticipating and pricing big, revolutionary, “paradigm” shifts — whether a rise of disruptive technologies or revolutionary changes in geopolitics. We are living through one now.

The U.S. Treasury market continues to operate on the assumption that it will always remain the global benchmark of money. Business schools still teach students, for example, that the interest rate on the 10-year Treasury bond is the “risk-free rate” on money. And so it has been for more than a century. But that’s all based on the Age of America.

No wonder so many have been buying gold. If the U.S. dollar ceases to be the world’s sole reserve currency, what will be? The euro would be fine if it acts like the old deutschemark. If it’s just the Greek drachma in drag … not so much.

The last time the world’s dominant hegemon lost its ability to run things singlehandedly was early in the past century. That’s when the U.S. and Germany surpassed Great Britain. It didn’t turn out well.

Updated with IMF reaction

The International Monetary Fund has responded to my article.

In a statement sent to MarketWatch, the IMF confirmed the report, but challenged my interpretation of the data. Comparing the U.S. and Chinese economies using “purchase-power-parity,” it argued, “is not the most appropriate measure… because PPP price levels are influenced by nontraded services, which are more relevant domestically than globally.”

The IMF added that it prefers to compare economies using market exchange rates, and that under this comparison the U.S. “is currently 130% bigger than China, and will still be 70% larger by 2016.”

My take?

The IMF is entitled to make its case. But its argument raises more questions than it answers.

First, no one measure is perfect. Everybody knows that.

But that’s also true of the GDP figures themselves. Hurricane Katrina, for example, added to the U.S. GDP, because it stimulated a lot of economic activity — like providing emergency relief, and rebuilding homes. Is there anyone who seriously thinks Katrina was a net positive for the United States? All statistics need caveats.

Second, comparing economies using simple exchange rates, as the IMF suggests, raises huge problems.
Currency markets fluctuate. They represent international money flows, not real output.

The U.S. dollar has fallen nearly 10% against the euro so far this year. Does anyone suggest that the real size of the U.S. economy has shrunk by 10% in comparison with Europe over that period? The idea is absurd.

China actively suppresses the renminbi on the currency markets through massive dollar purchases. As a result the renminbi is deeply undervalued on the foreign-exchange markets. Just comparing the economies on their exchange rates misses that altogether.

Purchasing power parity is not a perfect measure. None exists. But it measures the output of economies in terms of real goods and services, not just paper money. That’s why it’s widely used to compare economies. The IMF publishes PPP data. So does the OECD. Many economists rely on them.

Brett Arends is a senior columnist for MarketWatch and a personal-finance columnist for The Wall Street Journal.
Give Me Something Nice!
Back to Mardi Gras in New Orleans

If there were no other evidence to tell us how close we are to the end of all things, it would be the rate at which time is hurtling into the past. It does not seem like a year since we were in New Orleans giving away books at Mardi Gras. But there again came the call, “Are you going to give away books during the parades?” And our response, once again: “Absolutely!”

The rolling and packaging of the books commenced. We planned to take thousands of books to an event which realistically could have accommodated hundreds of thousands more; but you do what you can as God makes provision for your efforts—right?

This year we decided to try a new tactic: we packaged a couple of boxes of books, then stood a bagful at bus stops along the parade route of the satellite community of Metairie. Once the parade began, we began our distribution to the crowds; once our supply ran out, we exited the parade and grabbed another bagful at the next bus stop, then went right back into the crowd. Within a couple of hours we had given away thousands of books to the crowds pleading, “Me! Me! Me! Give me something nice.”

A long-time veteran of book distribution, Emile Spalitta, made the suggestion that we try something similar the next day in New Orleans. So we devised a plan to place similar bags of books along the Saint Charles Avenue parade route once the cleaning regiment had gone through. At midnight that night we stood a bag at the corner of each block for almost a mile (the parade was scheduled to travel seven miles, with an estimated attendance of a million people). By 2 A.M. we were ready for bed.

The next day we parked in New Orleans and walked through the teeming crowds to where our first stack of books was waiting for us. The method again worked perfectly. The books were protected inside the big plastic bags, and simply blended in with the paraphernalia that campers and attendees of the parade had left overnight. As the floats started their procession, we began our distribution as the night before. Again, within a few hours we had successfully given away thousands more publications.

Our thanks are due to you, without whom our work would not be possible—thank you!

Your Mission World Family

“Books can be dangerous. The best ones should be labeled ‘This could change your life.’”

~William Hazlitt.

“QUOTABLE”

Contact Us at the Above Address Regarding Information in This Bulletin
America in Prophecy
Will America Survive?

Many believe America has reached, perhaps surpassed, the zenith of her greatness—that she is destined to become a second-rate world power. Here are fascinating predictions about America and what the future may hold. AP also available in Spanish.

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A book for people in need… Thousands seek relief from today’s fast-paced lifestyles, the crippling effects of job-related stress and strained family relationships. This inspiring, easy-to-read guide offers lasting solutions that really work. FPW also available in Spanish.

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Health and Happiness

Live Longer! Live Healthier!
The medical and scientific worlds are rediscovering the Bible’s uncanny rules for good health. Ancient laws governing physical and mental health are today being confirmed. Natural remedies, faith and healing, diet and foods, and more…

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