

From There to Here IV

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What is happening to the banking system? It's not just a U.S. banking system problem, although much of it comes from the United States. First of all, before we get into what is actually happening, let's answer the question: Why is it happening?

Jer. 6 is the heart and core of the problem with the banking system, but it also comes down to most people in the world. I used to be a real estate loan broker and a real estate broker, so I'm familiar with some of the problems discussed today. But let's understand that when we get into what they are doing it will absolutely flabbergast you!

Here is the heart and the core as to how we got *from there*—being a nearly righteous nation and having a monetary standard based on silver and gold—*to here*!

Jeremiah 6:13: “For everyone from the least of them even to the greatest of them is greedy for gain...” That's an interesting statement.

Alan Dershowitz gave a talk on television as to why the Ten Commandments were antiquated and are not practical today. He says, ‘Take for example the tenth commandment that *you shall not covet*. The whole business system is based upon coveting.’ You'll find that that is true, and you'll understand it even more. When we get into it we can also say to watch your wallet and your assets and be wise.

“...and from the prophet even unto the priest everyone deals falsely” (v 13). I have a taped sermon about a supposed minister in the Church of God who is instructing his people today that they cannot be Christians unless they sell their assets, cash in their 401Ks and send everything to him. Bob and I listened to about ten minutes of it, and he said, ‘As the judge said, *that's entirely enough!*’ The minister said, ‘I don't need hundreds of dollars or thousands of dollars, I mean big, big money!’ That is totally evil, and it comes right at a time when people need to secure their money and assets *to weather the storm!*

Yes, there is an economic storm that we're going to live through, and the Tribulation is not around the corner. How soon is the end? *Where is the King of the North and the King of the South!* When they're on the scene, we're close.

Verse 14: “They have also healed the hurt of *the daughter* of My people slightly, saying, ‘Peace, peace,’ when *there is* no peace.”

When Pres. Bush was in Jerusalem he was saying, ‘Peace! Peace!’ Will it happen? *Not until God is ready for it to happen!*

Verse 15: “Were they ashamed when they had committed abomination?” We're talking about not just the leaders or the bankers, but the majority of the population!

“...No, they were not at all ashamed, nor could they blush; therefore, they shall fall among those who fall. At the time *that* I punish them, they shall be cast down,’ says the LORD. Thus says the LORD, ‘Stand in the ways...’” (vs 15-16).

Watch the television, watch the news and reports, but understand that you're going to get all the reports on the establishment media. They cannot tell you the truth, because if they did everything would collapse immediately. It's hanging by a thread!

“...and see, and ask for the old paths where the good way *is* and walk in it, and you shall find rest for your souls. But they said, “We will not walk *in it*”” (v 16). They're not going to go back and keep the commandments of God!

Verse 17: “Also, I set watchmen over you, *saying*, ‘Hearken to the sound of the ram's horn.’...” I'm going to read to you from several banking watchmen today. We have watchmen that are not necessarily in the Church of God or ministers or religious. We have watchmen who are telling the country things. I think even Rush Limbaugh considers himself one of those watchmen. There are different ones in different fields telling you about everything that's going on in the world and affecting us.

Remember: just take all the collective lawbreaking of people in sort of one big mosaic, and this is how God is looking at it. He isn't looking just at one thing, He's looking at everything. Also within that, He's looking at His Churches. When we have Churches of God and ministers doing what I said earlier, ***know that the judgment is at the door.***

“...But they said, ‘We will not hearken.’ Therefore, hear, you nations, and know, O congregation, what *will happen* to them.... [that's us; we are to know] ...Hear, O earth; behold, I will bring evil on this people, even the fruit of their thoughts, because they have not hearkened to My words, nor to My Law, but have rejected it” (vs 17-19).

Why do we have inflation? *Part of it has to do with what we find in Hag. 1!*

What as the main mission that God gave to Israel? *To take His way to the whole world!*

So, we have some principles here; principles that are based around Israel's mission of taking the way of God to the whole world. But since we didn't want to take it to the whole world, then God is going to make us like all the rest of the nations with all of their abominable practices.

We also have it to with the Church that's supposed to be doing what it should be doing, but in many cases it's scattered abroad because of its sins and its covetousness, too. Would you say that what happened to WCG was based on covetousness? God looks at the whole!

You can also take this principle in your life, because what is the temple of God today? *Everyone of us individually, and collectively, are a temple of God!* So, let's see some principles here:

Haggai 1:2: "Thus the LORD of hosts speaks, saying, 'This people says, 'The time has not come, the time that the LORD'S house should be built.'" Then came the Word of the LORD by Haggai the prophet, saying, 'Is it time for you yourselves to dwell in your finished houses, and shall this My house... the house of God] ...lie waste?' And now, therefore, thus says the LORD of hosts, 'Consider your ways. You have sown much, but bring in little; you eat, but you do not have enough; you drink, but you are not filled with drink; you dress, but no one is warm; and he who earns wages, earns wages to put into a bag with holes'" (vs 2-6). That is a perfect description of inflation!

The government's official 'slight of hand' inflation is about 3% a year. The true inflation is more like 13% and going up.

Verse 7: "Thus says the LORD of hosts, 'Consider your ways. Go up to the mountain and bring wood, and build this house; and I will take pleasure in it, and I will be glorified,' says the LORD. 'You looked for much, and behold, it came to little! And when you brought it home, then I blew on it. Why?' says the LORD of hosts..." (vs 7-9).

Here's a principle that applies to the nation, to the Church, to each one of us individually. There are people who tithe, yet, they have financial troubles. Could it be that they're also dealing in too much debt? Here's a secret: ***You cannot really increase wealth or get rich on a debt/borrowing system!*** You can for a while, but sooner or later you've got to pay!

"... 'Because of My house that is waste, and you, each man runs to his own house" (v 9). In other words, 'I'm going to take care of all my business first, and I'll come to God when I need help.' ***A lot of people have just enough religion that if they get***

in trouble they can run to God! They have just enough religion that they don't offend people in the world.

They're sort of straddling between what they know they need to do, and the people in the world that they want to impress, or living in part of the world the way that they want to live in the world, thinking all the time, 'I know the Truth but things really haven't worked out the way that some have said, so I'll wait and take care of it a little later.'

Verse 10: "Therefore, the heavens above you have held back the dew, and the earth has held back its fruit."

Think of this: What are we going to use for alternative fuel? *Ethanol!* It takes far more water and energy to grow corn to produce a gallon of Ethanol than it does to drill a well in the ground and take out the oil that God has created, and that is continually being created in the earth. All the oil does not come from dinosaur bones, because we would have to have dinosaurs stacked from here to the moon and back.

What's going to happen when we're totally dependent upon alternative fuels and we have a drought? *No one has thought of that!* Nothing works out the way that people have said. Remember, we had a lot of hurricanes in 2004-5, and everyone said that the next year—1006-7—'we're going to have more hurricanes than ever.' Not one hit the United States! So, all their predictions, thoughts, and everything that people do doesn't work out the way that they think. We're going to see how that will happen financially.

Verse 11: "And I called for a drought upon the land, and upon the mountains, and upon the grain, and upon the new wine, and upon the oil, and upon that which the ground brings forth, and upon men, and upon livestock, and upon all the labor of your hands."

Have you ever felt like you work and work and you pay and pay and never get ahead? Well, that's the treadmill of it.

Here is Jeremiah's reaction to what he's seeing, preaching and prophesying; Jeremiah 9:1: "Oh, that my head were waters, and my eyes a fountain of tears, that I might weep day and night for the slain of the daughter of my people!"

How many people are killed every day because of murders, car accidents, drug overdoses, all of that? Someone said that if you wanted a 'real education' and if you want your kids educated—especially if they are teenagers and they are not in mood to be listening—go some Friday night to the emergency room at the hospital and stay there all night.

Watch the drug overdoes, watch the injured and watch all of them come in, because they are sinning against God: either the lack of wisdom, going against their parents, taking drugs, doing whatever they're doing. It will be a wide awakening experience.

Verse 2: "Oh, that I had in the wilderness a lodging place for traveling men, that I might leave my people and go away from them!..." Sometimes you just want to get out of it! How many times are you stuck in traffic and you think: *I'd rather be anyplace but here!*

"...For they *are* all adulterers, an assembly of **treacherous men**. 'And they bend their tongues like their bow for lies....'" (vs 2-3). Be sure, your sins will find you out (Num. 32:23). All the lies in the monetary system are coming home to roost!

"...But they are not valiant for the Truth on the earth; for they go from evil to evil, and they do not know Me,' says the LORD. 'Everyone beware of his neighbor, and do not trust any brother! For every brother will supplant his neighbor, and will walk with slanders. And everyone will deceive his neighbor and **will not speak the truth**; they have taught their tongue to speak lies, *and* they weary themselves to commit iniquity. Your dwelling *is* in the midst of deceit; through deceit they refuse to know Me,' says the LORD" (vs 3-6).

Verse 13: "And the LORD says, 'Because they have forsaken My law which I set before them...'" Remember that in the United States today every household has an average of four Bibles. Has God's Word been set before them? *Yes, indeed!*

"...and have not obeyed My voice, and have not walked in it, but they have walked after the imagination of their own heart, and after the Baalim, which their fathers taught them.' Therefore, thus says the LORD of hosts, the God of Israel, 'Behold, I will feed them, even this people, with wormwood, and make them drink poisonous water'" (vs 13-15).

So, we have some tough days coming! I don't think we realize how close it is. They now have a walkway that goes out over the Grand Canyon that is a see-thru walk around. You can actually go out about 10-12 feet out over the edge of the Grand Canyon and you can look down, not just over the edge, but down through your feet and see all the way down.

You're going to see that financially the whole economic system is out there walking over the edge of the Grand Canyon.

Hosea 8:5: "Your calf, O Samaria..."—the golden calf. Guess what Protestantism is doing today? *It's moving back to the calf of Samaria!*

"...has cast *you* off. My anger is kindled against them. How long shall they be incapable of

innocence? For from Israel it *came* also—the craftsman made it, but *it is* not God; for the calf of Samaria shall be broken into shivers. **For they sow to the wind, and they shall reap the whirlwind**. It has no stalk; the bud shall yield no meal; but if it does yield, strangers shall swallow it up. Israel is swallowed up; now they shall be among the Gentiles as a vessel in which there is no pleasure; for they have gone up to Assyria, a wild donkey alone by himself. Ephraim has hired lovers" (vs 5-9).

Verse 11: "Because Ephraim has multiplied altars to sin, altars shall be to him for sin. I have written to him the great things of My Law... [Study the history of the English Bible, and have they not had it? *Yes, indeed!*] ...but they were counted as a strange thing" (vs 11-12).

Verse 14: "For Israel has forgotten his Maker, and builds temples. And Judah has multiplied cities. But I will send a fire on his cities, and it shall burn up her palaces."

Are there in the nation of the Jews—Palestine today—a lot of fenced cities? Not only that, but there's a great fence between the Palestinians and the Jews. The Bible is accurate!

Let's look at some other things that are important for us to understand. Let's look at the banking system and ask: What is happening? We can call this *the economic tipping point!* A tipping point is like having a balance. We can say that on the right side is the good, the right. On the left side is the evil. If you have everything loaded down with righteousness on the right side and you start taking that and substituting it for evil, you gradually get the scale to come up.

Then you reach and equilibrium and there comes what is called the 'tipping point' when you weigh it down and it starts going the other way. We were at the tipping point of a sudden collapse in 2008!

from *The Financial Times*: **US' triple-A credit rating 'under threat'** by Francesco Guerrera, Aline van Duyn and Daniel Pimlott; January 11, 2008
(http://www.ft.com/cms/s/0/fcc631cc-bfe6-11dc-8052-0000779fd2ac.html?ft_site=falcon&desktop=true#axzz4ezhu7MJ)

The US is at risk of losing its top-notch triple-A credit rating within a decade unless it takes radical action to curb soaring healthcare and social security spending...

This is quite interesting.

...Moody's, the credit rating agency, said yesterday. The warning over the future of the triple-A rating—granted to US

government debt since it was first assessed in 1917—...

Why did we have to borrow in 1917? Remember, that's only four years after the Federal Reserve was created. The Fed. Reserve doesn't belong to the government. The name makes it sound like it does, but it is a private banking system. Why did they have to borrow in 1917? *WWI!* Always remember the words of Rothschild who knew when Neapolian was losing and the word in England was that England was losing. He had 'hightech' messages sent to him *via* homing pigeons, so he knew what was going on.

As the stock market crash was taking place in London, he was there leaning up against the wall and rescuing all of these poor people from the collapsing prices of their stocks by buying them. When he got done he virtually owned England. He said, 'I don't care who runs the government, let me control the money and I will control the government.' So, we weren't borrowing in 1917 until there was the war.

Shortly after the Fed. Reserve was enacted then they had to borrow money, and we haven't stopped borrowing money since then.

...1917 reflects growing concerns over the country's ability to retain its financial and economic supremacy.

Here are some of the things we need to be on the watch for:

- unemployment will be rising
- slower spending will be taking place
- manufacturing will begin slowing down

The Deflation Time Bomb by Mike Whitney / January 11th, 2008 (<http://dissidentvoice.org/2008/01/the-deflation-time-bomb/>)

Manufacturing Index plunged to 47.7, its lowest level in five years

If it's up in the high 70s and low 80s you have manufacturing going at a good clip. Where is most of the manufacturing being done today? *China, Southeast Asia, India!* As a matter of fact, the cheapest car in the world comes from India: \$2,500.

The news put the stock market into a 200-plus nosedive and sent gold soaring over \$800 per ounce.

Bloomberg or CNBC watch that, because they have very good analysis there. But when you see a stock go up all of a sudden, and then come down all of a sudden over and over, that shows the erratic behavior of the market. That shows that people are very, very worried.

It talks about the soaring price of gold! If the Fed. Reserve drops the interest rate by ½ a point you will see gold go up much higher. If that doesn't work then it will go up even higher. Unfortunately, the psychology of many people that have money in the bank is that, 'I will diversify later. But if you don't diversify *before* the event happens, you're going to have nothing to diversify with *when* the event happens.

You still have time to protect your assets. A word to the wise, I cannot be your financial advisor, you have to guide your own with God's help.

...bankruptcy at mortgage lending giant, Countrywide Financial, and a 2.6% plunge in pending housing sales from the National Association of Realtors.

It's stock went down to the \$6 range before Bank America bought Countrywide for \$4-billion.

It's a primary bear market now and any rebound will be temporary. There's still a lot of fat to be trimmed before overvalued stocks return to the mean. The constant rate cuts and geopolitical jitters have sent gold skyrocketing.

That's right; the price of gas today is attributable to war, tax cuts and the relentless expansion of credit by the Federal Reserve—NOT OIL SHORTAGES!

If you control the money supply, and if you control the future pricing of oil you can almost set whatever price you want based upon whatever crisis you wish to make.

Escalating energy prices are increasing the cost of food production, which creates a self-reinforcing inflationary cycle. Additional rate cuts will only weaken the dollar further and put an even greater burden on maxed-out consumers.

When Pres. Bush returned from his overseas' trip, he put an emergency rescue bill for congress to bail out: \$100-billion! Where is the \$100-billion coming from? *Going to borrow it!* Remember, ***you can never borrow yourself out of debt!*** That's an oxymoron! So, even if it works for a while the reckoning is going to come later.

The economic realities that Bush will be facing are the anticipated "hard landing" from a nationwide housing slump coupled with a credit crunch that is strangling the banking and financial industries. The country is lurching recklessly into a deflationary death-spiral...

I'll tell you why in a little bit!

...employment, real personal income, industrial production, and real sales activity in retail and manufacturing.” (*UK Telegraph*)

Those are the four key things. Some people need to stop and think about what is going to happen if they lose their job. It’s a possibility. How are you going to survive? Then you add to it how much debt you have and how much do you owe on credit cards. How are you going to pay those?

Whether one chooses to call it a recession or not is irrelevant. When the two behemoth asset-classes — real estate and securities — begin to cave in, there’s bound to be some ugly fallout. Housing stayed strong during the dot.com bust. Not this time. No way. The whole system is keeling over and it could take the bond market along with it. As the two gigantic equity bubbles lose gas, consumer spending will stall...

Which is 72% of the American economy. If that drops by 10-20% what is the ripple effect going to be through the economy?

...business activity will slow, more workers will get laid off, and prices will tumble. Equities and commodities will be hit hard (even gold) and housing prices will dive to new lows as the pool of potential buyers grows smaller and smaller.

These problems will be further aggravated by the lack of personal savings and the huge debt-load which will push increasing numbers of homeowners, credit card customers, even student loan recipients into default. By 2009, bankruptcy will be the fastest growing fad in American pop culture.

Have you heard the term ‘upside down’ relating to finances? That’s where the majority of people will be with the houses they have purchased recently, which means that the value of their home will come down so far that they will owe more than the value of the house; especially those who bought houses with nothing down. What they did, they got a first and a second mortgage.

Let’s just use a \$650,000 figure. Bought it for nothing down. They have a second loan—you need to understand how these loans operate—for 20%. That would make it roughly \$175,000 second mortgage. Then they would have close to \$570,000 on a first mortgage. Both of them adjustable. If you’re a second mortgage holder and prices go down, you’re stuck. If you want to put the house in default, because of non-payment, and try and get your money out of the property, you’ve got that

\$570,000 plus loan ahead of you. In order for you to take over the property to save your \$175,000 you have got to take over the \$570,000 loan yourself.

What’s going to happen when the housing prices come down 50-60%? Some say 70%! That’s where the prices were before the Fed gave all this easy money.

What is going to happen is what is called ‘jingle mail’—you pack up all your goods and you move out of the house and you take the keys to the house and send them to the bank and it ‘jingles’ as they open it up. You have a note in there: *Sorry, I can no longer make the payments on this house and we’re gone!*

Another way of doing it, is called ‘a deed in lieu.’ You just simply go down to the title company and say you’re turning the house back to the lender, work up a ‘deed in lieu’ and you sign it, leave the keys and go. In order to have a ‘deed in lieu’ you have to be current. But there will be a lot of people who will figure it out and that’s what they will do.

This is going to aggravate the homelessness. When you have all these empty houses; there are approximately 25,000 empty homes in the Phoenix area. What’s going to happen to these empty homes? *The homeless will move in and once they’ve moved in...*

What if out of those 25,000 homes that are sitting empty, 5,000 of them are occupied by illegal immigrants, because they have a large population of illegals down there? Will there be enough police activity, enough court activity to evict them and enforce it? If you evict them out of one house, what’s to stop them from going to another empty house and moving in there? *You’re going to have chaos!*

Here is what the Federal Reserve is doing, and it has to do with the amount of cash reserve.

The Federal Reserve has tried to resolve this issue by opening a Temporary Auction Facility (TAF), which allows the banks to secretly borrow billions from the Fed...

money created from nothing

...without the embarrassment of disclosing the transaction to the public.

So, if you go into the bank and ask if the bank is on sound financial footing... ‘Well, you can see that our borrowing is in line with what it should be.’ But secretly they borrowed millions from the Fed. Reserve and they don’t have to tell you.

What do the banks use for collateral to do that? *They take these mortgages, which have been downgraded from 100% to 27%! Does that tell you*

where they think the real estate market is going? They go to the Fed Banking window and the Fed says that they will loan 85% of the face value of these defunct loans, which we know are only worth 27-cents on the dollar.

Remember: ***You cannot borrow your way out of debt!*** There are a lot of things to consider.

(go to the next track)

I think as you analyze the system that God has: He has it in seven-year cycles of seven, which is 49 plus 1=50, and then you have the Jubilee. If you go back and analyze the curve of the ups and downs of the monetary cycles:

We had 1994-5 to 2000, which is a 6-year-plus period, we had a downturn. Then they infused a lot of money into it and brought it back up in 2000, and in 2007 we had a downturn.

The reason that God has it in seven years, and with debt release in the seventh year the smaller debts were forgiven, which means that those who lend out money, knowing when the seventh-year cycle would come would not make large loans.

Before a very, very late change in it was that all debts had to be forgiven in the seventh year. In the days of Hillel, which was in the days of Christ, you had that they actually went to the Roman system where they allowed debts to extend beyond the seven years and to be collected. In that cycle you have a 50-year cycle, too, the Jubilee.

I saw a very interesting program on Bloomberg that showed the comparison between 1928 and 80 years later 2008. Exactly the same forces were set in motion. So, let's look at some of these things.

What happens when you have a system the way that God has it? *You deal with real money, and you do not allow overextension of debt!* Having debt forgiveness disciplines the lender so he does not enslave the borrower. Guess what system is going to be used in the Kingdom of God?

continuing with: **The Deflation Time Bomb:**

Inflation vs Deflation

The size and scale of the approaching recession is impossible to forecast. The real estate and stock markets will undoubtedly see trillions of dollars in losses, but what about the estimated \$300 trillion dollars of derivatives...

Derivatives are bets. You bet the economy or the price of something is either going to go up or it's going to go down. As I pointed out from the book *The Late Great USA-UK* there are \$300+-trillion in

derivatives hanging out there of which CitiBank—remember that it almost went bankrupt—has \$56-trillion in derivatives. That's like saying that at the casino table in Las Vegas you have \$56-trillion on the roulette table betting that the little marble will drop in the right place.

...credit default swaps and other abstruse counterparty options? Will the global economy freeze up when that ocean of cyber-capital suddenly evaporates?....

Cyber capital is money registered in a computer, and the only ones who can legally increase it are the central banks. You try that, try going to your online bank account and increase it by \$100-million. The bank inspectors, FBI and local police will be at your door! But they can do it.

...Will that virtual wealth simply vanish into the ether when the underlying assets (CDOs, MBSs, ABCP) are downgraded to pennies on the dollar, or when the number of home foreclosures catapults into the millions, or when the dollar slips to a fraction of its current value? No one really knows.

But Atlanta Fed President Dennis Lockhart summarized what we can expect in a speech he gave last week titled "The Economy in 2008." He said:

"A sober assessment of risks must take account of the possibility of protracted financial market instability together with weakening housing prices, volatile and high energy prices, continued dollar depreciation, and elevated inflation."

What did he just describe? *Stagflation!* Prices going up, wages going down, employment going down, and if we're lucky holding steady.

Let's look at some other reasons why these things are going to come. Remember, if you 'sow to the wind, you're going to reap the whirlwind.' I think that best really describes what's happening with the financial system around the world.

When it talks about Ephraim that includes Israel. As I said, England is worst than ours. Their national debt percentage-wise is twice as high as ours. How many times have I covered that if we would follow God's way, we would lend to other nations and not borrow? But if we didn't we would borrow from them. Between UK and the USA we are borrowing more money from our enemies. How is the financial system being rescued now? *They're called 'sovereign wealth funds,' which is a nice way of saying: What is China going to do with trillions of US dollars? They're going to setup an investment banking company!* That's a sovereign wealth thing!

So do the Arabs. Guess who bought into

CitiBank? *Abu Dhabi!* Other Arabs are using their sovereign funds to come in a buy what is called 'equity' or 'assets.' The difference is this: If you buy a note for \$10,000 and I go to the lender and say, 'Can you pay me back?' *No, I can't pay you back!* So, I go to someone else who has \$10,000 and I say, 'Look, I've got this note for \$10,000 and I need some money for it, and I need it right away. What will you give me for it?' He says, 'I'll give you 80% of its value, \$8,000 for the \$10,000 note. He now is holding a note, which to him is an asset. But instead of just earning the 10% interest from the borrower, but he's going to earn the \$2,000 if it's paid back.

That is what you're dealing in equities, which are real ownership vs dealing in credits, which are counted as assets, but those assets can depreciate and fall apart at any time.

Hosea 9:11: "Ephraim is like a bird—their glory shall fly away from birth, and from the womb, and from conception." That describes the whole thing concerning the UK today. Only one in five pregnancies come to full term because of abortion. How many times have I said that abortion is at the heart and core of it? *It is!*

Verse 12: "Though they bring up their children, yet, I will make them childless, without a man. Yea, woe also to them when I depart from them!" There are two things that happen:

1. people can depart from God, but God hasn't quiet left them, yet
2. when catastrophe happens that's when God leaves them

This is what God is describing here.

Hosea 10:1: "Israel was a luxuriant vine, which produced fruit freely...." Self-centered, narcissistic, using everything on the self.

"...According to the multitude of his fruit, he has increased the altars. Accordingly, they have made beautiful images after the goodness of his land. Their heart is divided; now they shall be guilty. He shall break down their altars, and He shall spoil their images" (vs 1-2). That's what God is going to do.

Verse 13: "You have plowed wickedness; you have reaped iniquity; you have eaten the fruit of lies because you trusted in your way, in the multitude of your mighty men." Trusting in lies is describing the whole economic system, and the whole moral system—or should I say, *immoral system!*

Yet, through all of this because of God's love for Israel and Ephraim, He's torn up inside. Note Ezek. 33 where God says to the wicked, 'O wicked, turn, turn, why don't you turn from your

wickedness? For I do not delight in the death of the wicked!' God wants repentance.

Here with Ephraim and Israel, He's torn, Hosea 11:7: "And My people are bent on backsliding from Me. Though they called to the Most High, none would at all exalt *Him*. How shall I give you up, Ephraim? How shall I deliver you, Israel? How shall I make you like Admah? How shall I set you as Zeboiim? My heart is turned within Me; My compassions are kindled together" (vs 7-8).

God is at a conflict with this. But because He's righteous, He must judge, and He must judge evil.

Verse 9: "I will not carry out the heat of My anger; I will not return to destroy Ephraim, for I *am* God and not man, the Holy One in your midst; and I will not enter into the city."

Hosea 12:1: "Ephraim feeds on wind..." Isn't it interesting? You sow to the wind, you reap the whirlwind, you feed on the wind. Breathing does not give nutrition. If it did, we'd all be like blimps!

"...and follows after the east wind..." (v 1). Where is the money coming from to rescue us from the Middle East and from the Far East?

Sidebar: If we go into a real depression, China is going to go down, too. They are going to have a lot of political unrest. No one wants that to happen, so they're all going to come with their money that they have earned from us, and they have taken our debt and they are going to bring it back to buy assets. They're going to buy banks, real estate, commercial real estate. They are going to literally, through economies, take over America and Britain.

Verse 2: "The LORD also has a quarrel with Judah and will punish Jacob according to his ways; according to his doings He will repay him."

Hosea 13:1: "When Ephraim spoke there was trembling. He exalted himself in Israel; but when he offended in Baal *worship*, he died. And now they sin more and more..." (vs 1-2).

How many sermons are you going to hear, or watch on television, where the prophets of Baal stand up and say, 'We're heading for an economic crisis; what I want you to do is repent; we all have to repent of your lying, cheating, stealing and adultery? Repent of worshipping on the wrong day and we'll see you here next Saturday instead of Sunday. Let's get rid of all of our idols; let's stop all abortion. Let's get after all of the drug dealers.' You won't hear that!

Verse 2: "And now they sin more and more, and have made themselves a molten image of their silver, and idols according to their own

understanding... [TV, movie, and all this sort of thing because that's all idolatry] ...all of it the work of the craftsmen. They say of them, 'Let the men who sacrifice kiss the calves.'" *It will be all right if we continue doing it this way.*

Verse 3: "Therefore, they shall be as the morning cloud and as the early dew that passes away, as the chaff storm driven from a threshing floor, and as the smoke out of the chimney." God shows that they're going to reap what they sow.

Hosea 14:1: "O Israel... [This is the call! We can do this with the Church] ...return to the LORD your God, for you have fallen because of your iniquity. Take with you words, and return to the LORD. Say to Him, 'Take away all *our* iniquity, and receive *us* graciously, that we may repay *with* the sacrifices of our lips'" (vs 1-2).

In other words, in a mocking way, instead of worshipping the golden calves, which they had in Dan and Beersheba, they are now going to change that to worshipping God with their lips the way that they should.

Have you heard of 'the plunge control team' or 'the plunge protection team'? What is that? We'll get into it in just a minute.

from ***Bearers Beware*** by Ambrose Evans-Prichard (*The Telegraph*, Jan. 8, 2008).

International business editor Ambrose Evans-Pritchard of the British Telegraph reported the following week in an article headlined "Bush convenes Plunge Protection Team" that "the New Deal of 2008 is in the works." The U.S. Treasury "is about to shower households with rebate cheques to head off a full-blown slump," he predicted.

The Black Arts unit, officially the President's working group on financial markets was created after the 1987 crash. It appears to have powers to support a crisis with a host of instruments mostly through buying future contracts on stock indexes and key credit levers. It has the means to fry short traders in the hottest of oils.

In other words, a short trader sees that the stock is going down and says, 'Okay, I'm going to bid on it short. It's at \$10 now, I'm going to buy it at \$5.' So, if it gets to \$5, he buys it. If it doesn't get to \$5, then he's got to pay the difference between say 5 and 7. So, here comes the 'plunge protection team' and here's the stock going down, or something going down, and everybody is bidding short.

The 'plunge protection team' comes in and starts buying at a higher price and then all of the shorts come due on certain date and they have to pay

up. That means that they're 'fried in the hottest oil possible.' So, instead of making money, now they've got to pay and buy it at, instead of \$5, \$7 or \$8.

The team is led by Treasury Secretary Hank Paulson, an ex-Goldman-Sachs, a man with a nose for market psychology, which includes Fed. Chairman Ben Bernanke and other key exchange regulators.

When they get involved, which they are... Why did gold stay down so low for so long? *Because the 'plunge protection team' through the banks were buying and selling gold to each other at lower prices!* There's every reason to suspect that gold may go as high to \$2,500/ounce.

Judging by a well brief report in *The Washington Post*, a mood of deep alarm has taken hold in the upper echelons of the administration. What everyone is looking at is what is the fastest way to get money out there?

Why do they need to get money out there?

The 'plunge protection team's' long kept secret was last mobilized to calm the markets after 9/11! It then went into hibernation during the long boom!

No, they were still manipulating certain markets to make sure that the boom continued.

Mr. Paulson reactivated it last year asking he staff to examine systemic risks poised by hedge funds and derivatives and the government's ability to respond to a financial crisis.

So much for the 'plunge control team'!

The Coming Collapse of the Modern Day Banking System: Staring into the Abyss by Mike Whitney (Dec. 17, 2007) (<http://www.rense.com/general79/collapse.htm>)

Just like I said that you're standing over the edge of the Grand Canyon looking straight down. Here are some of the things, and how it has happened, I'll summarize.

The banks are required to have a certain amount in reserve in cash and in A-credit securities, which they can use as collateral to loan to people on what is called *The Marginal Banking System*. You have a bank with so much money and they know that on the average only 12% of that money moves out of the bank, which means they have 88%, and they have lowered that down in some cases to as much as only 5%.

That means they can loan money based upon

that percentage. When they loan the money and give it out, then a lot of that money comes back into the bank again; that again becomes an asset. If I loan out \$100,000 and he says 'I'd like to open up an account with it.' Now you've got that \$100,000 as an asset, which you can now loan 88% of that in addition to the 88% of what you had before.

This is a multiplying factor. The next time you go into your bank and you look at the assets, look at how many of them say U.S. Securities. They loan on those, but those are IOUs from the U.S. government.

Here's what they have done in the housing crunch and other loanable assets. They would take a loan, which they would have to, if they loaned it out, deduct that money from their cash reserves. But if they take that loan and do what I just described here, under what is called 'securitized,' which means they put it through a series of tests and they declare this 'a secure loan.'

This means that they can bundle that loan with other loans that they 'securitized' and they can put them back in as assets and loan against it, as long as it holds its value.

Or they can bundle them and sell them to other banks around the world, which is what they have done in this mortgage crisis, with the adjustable rate loans to people who just declared what their income was, and if their credit score reflected a good repayment plan, they didn't even verify what they put on the application to borrow.

Now you have millions of these loans that they have sold to different banking systems in the world, amounting to trillions of dollars worth of money. This is why there is a cash shortage. They used to be able to count these the same as cash, but now since they have been downgraded, you can no longer count them as securitized equal cash paper.

Example: Take the \$100,000 cash reserve. The open market says today that they will buy that from you for \$27,000. That means that the cash reserve position went down by \$83,000. They're supposed to have a certain percentage of cash reserve. Many of the banks are coming down to a zero cash reserve, which means that the banks will become bankrupt.

So, the Fed, the European Central Bank and the Bank of International Settlements in Switzerland have put something like a half-trillion dollars in cash available to banks—borrowable cash. So, what the banks have done is take these formerly secured securitized debts, which are now worth \$27,000, and take them to the secret Fed lending window and the Fed lends them 85% of the face value of those formerly securitized debts.

It's all a ponzi game, like a shell game!
Guess under which shell the security is? *It's not there!* That's why it is ready to collapse!

They came up with a plan that all the banks will freeze the lending rate at a certain point. But the problem is that you have to give the banks the cash in place of the adjustment and they are only going to give enough cash that will cover 140,000 mortgage holders, when there are millions.

On Wednesday, the Federal Reserve initiated a "coordinated effort" with the Bank of Canada, the Bank of England, the European Central Bank, the and the Swiss National Bank to address the "elevated pressures in short-term funding of the markets."

In other words, short term funding is that in order for the banks to remain legally in business, they have to have a certain amount of cash reserve. So, they said, 'This is getting terrible, so we'll loan you the money so you can say that you have the cash.' But if you borrow the cash you now have created another debt.

The Fed issued a statement that "it will make up to \$24 billion available to the European Central Bank (ECB) and Swiss National Bank to increase the supply of dollars in Europe." (Bloomberg) The Fed will also add as much as \$40 billion, via auctions, to increase cash in the U.S. Bernanke is trying to loosen the knot that has tightened Libor rates in England and reduced lending between banks. The slowdown is hobbling growth and could send the world into a recessionary spiral. Bernanke's "master plan" is little more than a cash giveaway to sinking banks. It has no chance of succeeding. The Fed is offering \$.85 on the dollar for mortgage-backed securities (MBSs) and collateralized debt obligations (CDOs) that sold last week in the E*Trade liquidation for \$.27 on the dollar. At the same time, the Fed has promised to keep the identities of the banks that are borrowing these emergency funds secret from the public. Thus, accountability and transparency have been both shattered by one shortsighted action. The Fed is conducting its business like a bookie.

If we tried that we'd be arrested and thrown into jail. Look what happened to the CEOs and the financial officers of these great corporations in the last few years, that they were doing the same thing with their stock and funds internally within the company, and what happened? *They brought them to trial and some of them went to jail!* What are you going to do

with Bernanke? Are you going to arrest him?

Unfortunately, the Fed bailout has achieved nothing. Libor rates---which are presently at seven-year highs---have not come down at all. This is causing growing concern among the leaders of the Central Banks around the world, but there's really nothing they can do about it. The banks are hoarding cash to meet their capital requirements.

Which means they're not lending money. In a system based upon debt and credit, you've got to borrow money or you can't function.

They are trying to compensate for the loss of value to their (mortgage-backed) assets by increasing their reserves.

So, when you read that CitiBank made a write-down of \$6-billion, they're admitting that they've lost \$6-billion. Where did the \$6-billion go? If you've got a lot of money sitting in the bank, you'd better have some second thoughts.

At the same time, the system is clogged with trillions of dollars of bad paper, which has brought lending to a grinding halt.

How about all the credit cards? *They're behind on those!* Have you seen some of these domino ads on television. It starts out with one domino and then it goes into a kaleidoscope all them collapsing, hundreds of them! They've had grand schemes where it knocks down thousand and thousands of dominos just by the effect of one. This is what we are seeing taking place here.

STARING INTO THE ABYSS

One of Britain's leading economists, Peter Spencer, issued a warning on Saturday: "The Government must suspend a set of key banking regulations at the heart of the current financial crisis or risk seeing the economy spiral towards a future that could make 1929 look like a walk in the park".

Spencer confirms what we already knew; the banks are seriously under-capitalized...

Meaning they don't have enough money sustain their operations.

...and will come under growing pressure as hundreds of billions of dollars of mortgage-backed securities (MBSs) and collateralized debt obligations (CDOs) continue to lose value and have to be propped up with additional capital. The banks simply don't have the resources and there's going to be a day of reckoning.

What we are witnessing is essentially the breakdown of our modern banking system.

Let's take this \$10,000 loan that I gave to Harry, which I sold to Brian for \$8,000. Now Brian has need of money, so he goes to someone else and he says, 'I've got this \$10,000 note, but I bought it for \$8,000, but I'll sell it to you for \$6,000 so you can make 40% on your purchase. So, he buys it.

But all of a sudden the third party has a financial crisis and he has this \$10,000 note that he bought for \$6,000 and he goes to someone else and he says, 'I've got this \$10,000 note that I bought for \$6,000 and I'll sell it to you for \$4,000. Just think, you'll make 60% on your money.'

So then, he buys it for \$4,000, then the 4th party has a problem financially and he needs some money and he goes to someone and says, 'I've got this \$10,000 note that I bought for \$4,000 and I'll sell it to you for \$2,000, and you'll make 80% on your money. The loan comes due and comes to Harry and he got in financial trouble and declared bankruptcy.

That's a simple explanation of what is happening to the banking system. The Fed is trying to say they will rescue this by giving you cash. 'We know that it's only worth 27-cents on the dollar, but we will give you 85-cents and don't tell anyone where you got the money!' They created it out of thin air! That's where we are in 2008.

What do you do to protect your assets? You have to decide, but it would be wise if you had some cash, gold, silver or if you have 401K convert that to a gold security backed instrument. In other words, you are buying gold from a gold mine where they give you a certificate that guarantees that you have so much gold. That's not as good as holding it directly, but with a 401K you can't convert it to actual gold in your hands. Other than that, do the best you can to get out of debt and don't take on anymore debt. Do what you can that you need to do.

Proverbs 27:12: "A prudent *man* foresees the evil *and* hides himself, *but* the simple pass on *and* are punished." ***We need to be prudent!***

All Scriptures from *The Holy Bible in Its Original Order, A Faithful Version*

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- 1) Jeremiah 6:13-19
- 2) Haggai 1:2-11
- 3) Jeremiah 9:1-6, 13-15
- 4) Hosea 8:5-9, 11-12, 14
- 5) Hosea 9:11-12
- 6) Hosea 10:1-2, 13
- 7) Hosea 11:7-9

- 8) Hosea 12:1-2
- 9) Hosea 13:1-3
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- 11) Proverbs 27:12

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- Numbers 32:23
- Ezekiel 33

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- *The Financial Times: US' triple-A credit rating 'under threat'* by Francesco Guerrera, Aline van Duyn and Daniel Pimlott; January 11, 2008 (http://www.ft.com/cms/s/0/fcc631cc-bfe6-11dc-8052-0000779fd2ac.html?ft_site=falcon&desktop=true#axzz4ezhu7MJ)
- *The Deflation Time Bomb* by Mike Whitney / January 11th, 2008 (<http://dissidentvoice.org/2008/01/the-deflation-time-bomb/>)
- *Bearers Beware* by Ambrose, Evans-Prichard (Telegraph, Jan. 8, 2008)
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