

MONEY: ENDS AND TRENDS

May 2002

Signs of the Financial End Times – Part VIII

A Spreading Financial Web

This eighth installment of this topic series finishes up with the tenth of twelve financial and economic signs of the endtimes that I will be covering. To date, we have examined ten conditions and/or world processes that scripture indicates should be evident in the last days. To help readers keep track, here are the signs already reviewed: 1. A worldwide heaping up of wealth and debt; 2. Hoarding — an increasing gap between the wealthy and the poor around the world; 3. An explosion in greed; 4. Corroding gold and silver — wealth; 5. Increasing stress; 6. Wage injustices in the world; 7. Lovers of themselves (Narcissism); 8. Lovers of pleasure (Indulgence); 9. Swings in world population; and 10. The emergence of a commercial colossus. All of these find expression in a financial or monetary form today.

This month we continue examining other aspects of the commercial colossus introduced in the previous column. The primary evidence for an ensnaring endtime trading system of some kind is found in Revelation 18 and several references in the book of Daniel. Babylon the Great mentioned in Revelation 14:8 and described in great detail in Chapter 18 is the main image of this system. I will not be able to deal with all the aspects of the description found in chapter 18 as I only plan focus on the narrow theme of this column series — financial and economic signs of the endtimes. With this objective, I would like to develop two other features of the commercial colossus before moving on to other endtime signs.

A System with a Global Realm

Evident from the Revelation 18 account is that Babylon the Great is an endtime regime that will be global in nature. Its reign over the entire earth parallels the global reach of the fourth future kingdom that the Prophet Daniel foresaw in his four separate visions. The three previous kingdoms or kings that Daniel saw were indeed the leading powers of the known world in their day, yet they were not global as we know today. Only the last one is stated to have a world-wide reach, spanning the “earth.” “*All the nations*” (Revelations 18:3, 23, and also 14:8) and “*kings of the earth*” (verse 3, 9) “*merchants of the earth*” (verse 3, 11) “*world’s great men*” (verse 23) and involving “*all [...] on earth*” are part of it.

Represented in this case is the hub of a coordinated international trading system that serves as part of a reigning world kingdom that “*will devour the whole earth, trampling it down and crushing it.*” (**Daniel 7:23**) In order for a single regime to overcome and devour the whole earth, global interconnection and worldwide mechanisms of coordination and influence are required. In short, there must be a globalization of the world — a convergence of belief systems and values. A world that consumes Big Macs and Coca Cola from Nairobi to Taipei and participates in a seamless global financial market and economy is not incompatible to this development.

Something More than Trade in Goods and Services

In my view, the endtime trading system represented by Babylon the Great must involve more than just a system of commerce for goods and commodities of the nature mentioned. Recalling the text quoted last month (Revelation 18:1-16) there were listed 28 commodities or items of wealth as well as one form of international transportation —

marine shipping. Simple manufactured and agricultural items such as those listed in the Revelation 18 account and their method of transportation would not intoxicate the world's merchants and kings with *"maddening wine"* (Revelation 18:3). There must be something else — something *"magic"* (verse 23) — involved in this system that leads the world astray. What could it be? Scripture does not specifically identify its source or nature. Yet something clearly is enervating this whole system. Something is giving rise to *"adultery"* as all of the kings of the earth *"are committing adulteries"* with Babylon the Great. Wealth and money may be intoxicating but are not magic. The "love of money" is definitely a powerful motivator of human actions but also is not magic. Perhaps the *"magic"* and *"maddening wine"* of this endtime system is found in the corrupt means it employs to produce effortless wealth?

I can suggest one identity of this magical intoxicant. Of course, as a global investment economist my interpretation will fall close to my reference point. You the reader will have to keep that thought in mind as you read further. By the measure of the present times, I would regard the workings of the modern-day monetary systems and the interplay of the "love of money" as the magic referred to in Revelation 18. It is the alchemy and deception that springs out of our modern fractional-reserve monetary system¹ that bring on the type of madness that is talked about here. Financial markets and monetary systems are indeed magical in one sense. Wealth can be spun out of thin air; fabricated with no cost. Great riches can be transferred easily even though they may amount to not much more than paper. I do not have the space to explain the many mechanisms that make this possible. However, please take a moment to review this column in the Midnight Call issue of December 2000. In that column, I provide some further explanations on this point.

Another significant support to this financial/monetary interpretation may be found in the fact that Babylon the Great can come to a halt within an hour. *"In one hour your doom has come!" Revelation 18: 10.* And again: *"In one hour has such great wealth been brought to ruin."* (Verse 17) This presents a puzzle.

What can possibly span the globe and collapse so quickly yet leave the world standing? Apparently, whatever is being destroyed during that hour holds no bodily danger to humans. People will witness the destruction of this city or system from afar. These and the many other clues certainly do not disagree with the view that Babylon the Great could represent the world's commercial/monetary/economic system of the last days. What other possible interpretation does not conflict with all the other descriptions of the endtime kingdoms also found in Daniel? How can international trade come to a sudden halt?

It is no secret that nothing can be ruined as quickly as an inter-linked, debt-leveraged financial system. Though it may amount to trillions times trillions of dollars in wealth and touch every living person on earth economically, its speed of destruction can be very quick. The truth be known, the whole banking and financial markets systems of the world actually hang on thin threads of human confidence. It is a fact that without faith they would collapse instantaneously. The concepts underpinning our modern monetary/financial and "free market" systems are fundamentally immoral, though functioning fairly if tightly regulated to limit the impulses of greed. These systems can only work if people believe in their continued existence. The slightest fears can trigger financial markets crashes. In that respect, the market tremors of the past few years around the world are a clear reminder that this possibility is more than just an idle theory.

It is interesting that the Babylon's "doom" (verse 10) and "great wealth brought to ruin" (verse 17) are the result of a much shorter span of time than the plagues pronounced upon her. The plagues take place over a day, a time period that may be open to a number of interpretations. "[...] *in one day her plagues will overtake her: death, mourning and famine.* (verse 8) The doom and destruction of wealth, however, is pronounced in the matter of an hour. At the very least, this differentiation supports the view that demise of the great financial/commercial system of the world will be very sudden.

I am persuaded to believe that Babylon the Great comprises not only a commercial/economic but also a monetary/financial system — a vast, integrated, global colossus enervated by the love of money and material, perched upon humanism and confidence. The evidence strongly suggests that it is a wealth-creating system of money and trade. We also can safely conclude that Babylon the Great does not represent the United States,ⁱⁱ or New York City as others have suggested. Pictured here is a system that is greater than any single country or city.

A System in League with Three False Gods

The apparition of Babylon the Great intertwines tightly with the rise of the three false gods of the endtimes. (*This column introduced them in a four-part series last year.*) It represents a human triumph combining monetary finance, globalism and technology. If you'll recall, they were mentioned in Daniel 11:37-39 — the "unknown god", "foreign god" and the "god of fortresses." We dubbed them MOFI for monetary/finance, GLOBO for globalism, and SCITE for science and technology.

They are in league with this last day commercial/economic system prefigured by Babylon the Great. In spirit, they are all connected in the form of self-sufficiency and boastfulness. She says: "*I sit as a queen; I am not a widow, and I will never mourn*" (Revelation 18:7). This endtime system considers itself secure and unassailable for as far out as the eye can see. The trinity of the three false gods, energized by the fallen choices of mankind and the love of money, define and propel this world-ensaring system represented by Babylon the Great. Its great riches parallel the endtime wealth of the religious Babylonⁱⁱⁱ (Revelations 17:4) and the lukewarm Christian church^{iv} (Revelation 3:17).

A Challenge to Endtime Christians

Imagine: Twenty five hundred years ago Daniel forecast the underlying conditions that would lead to a booming, global financial and economic system the last days. Approximately 500 years later, apostle John, incarcerated on the Island of Patmos, provides additional illuminating prophesies about this last days regime that align with Daniel's accounts.

Babylon the Great does come to ruin. In fact, it comes to a terminal end. It will harbor no more workmen or trade ever again. It "*will be thrown down, never to be found again.*" I am persuaded that this collapse will take place no later than the Great Tribulation. And, as with many endtime conditions, the processes that lead to their eventual occurrence can be seen well in advance. Could it be that the financial market troubles of the past few decades, already unprecedented as the International Monetary Fund^v recently warned, are the early tremors of this ultimate crash?

An endtime, global regime as partly reflected by Babylon the Great is inhospitable to believers. "*Rejoice, saints, apostles and prophets! God has judged her for the way she treated you*" says verse 20. "*In her was found the blood of prophets and of the saints*

and of all who have been killed on earth.” (verse 24). It trades on the “bodies and souls of men” (verse 13). Not only are the idolatries, humanism and love of money underlying the advance of this global commercial/financial system — Mammonism, as I call it — potentially deadly to Christians, they have been at the root of all world genocide and murder.

How well is this world system treating Christians? Are you comfortable living in it? Revelations 18:4 implores us to not have any complicity with her: “Come out of her, my people, so that you will not share in her sins, so that you will not receive any of her plagues.” Next month we will examine the eleventh sign — worldwide deception. It can be seen everywhere in the financial and economic world.

Wilfred J. Hahn is a global portfolio manager and publisher of *Eternal Value Review, World Report and Market Monitor*. Contact him at www.eternalvalue.com.

ⁱ Virtually all banking systems (at least 99% of them) are based upon the idea of fractional-reserve banking. It is really nothing more than the practice of lending out something that was borrowed from somebody else. To illustrate briefly: Banks take deposits — mostly in the form of a checking or savings account. When we deposit money in this way, it remains ours. The bank typically promises to pay it back to us on a moment’s notice. That’s why these accounts are also known as “demand deposits.” In the course of its business, a bank will takes in deposits from many people. The bank figures that it is very unlikely that all of its depositors will ask for their money back at the same time. The bank then lends out these deposits to other people, for example, in the form of a car or home loan. However, the monetary process does not stop here. As the person that borrowed the money will eventually spend it on a purchase or investment, this money then ends up in another bank account, that of the seller. In essence what has happened is that the original deposit that was taken in by the bank has become two deposits — the original one and that of the new “seller” we identified. Money has appeared out of thin air. If this process wasn’t regulated, the bank could theoretically continue lending out money as long as the loans returned as new deposits. The money supply could potentially increase without end, with no relationship to real earnings or savings. Almost all central banks — for example the Federal Reserve in the U.S. — control this practice of money creation by setting certain limits — fractions and reserves. Therefore the origin of the term “fractional reserve” system.

ⁱⁱ *The United States in Prophecy* by Edward Tracy, Convale Publications, 1969.

ⁱⁱⁱ “The woman was dressed in purple and scarlet, and was glittering with gold, precious stones and pearls.” (Revelations 17:4).

^{iv} “You say, ‘I am rich; I have acquired wealth and do not need a thing.’” (Revelations 3:17) is part of the prophecy applying to the seventh New Testament church of Laodicea. Some theologians believe its message is to the church of the last days.

^v In a recent Trade and Development Report entitled “Towards Reform of the International Financial Architecture: Which Way Forward?” the International Monetary Fund makes many alarmist comments among which: “*The increased frequency and virulence of the international currency and financial crises, involving even countries with a record of good governance [...] suggests that instability is global and systemic.*”