



ETERNAL VALUE REVIEW

MONEY MONITOR & GLOBAL TRENDS REPORT

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"For thinking Christians seeking to understand the times."

APRIL 2009

FEATURE REPORT

Riches Despite Crisis: 10 Perspectives—Part I

It seems everyone has become an armchair economist—from politician, to taxi driver and priest. Lately, of course, they are all prophesying the same morose vision: blackness and doom as far as the eye can see. We all understand why this is so. Most everybody gets their information from the same sources (supplied by the same 4 or 5 news feeds) and reads the same front-page headlines. And, these all are full of gloom and doom. This would be all the more troublesome, except for one fact: While other cultures would consider plagues, pestilences and famine the worst that could be feared, our high-income society considers one thing worse: The destruction of wealth. Our ultimate definition of disaster is a materialistic one, referring narrowly to the ups and downs of "cyberbit" financial assets, home values, cyclical patterns in employment and commerce ... and other such things.

We need to stop right there and reorient ourselves to an eternal, Biblical perspective. Why? For one, these are times of great deception and idolatry. Who is not disoriented by these prevailing secular values? Secondly, a Biblical view of our times, grounded upon truth, is the only one that promises peace and contentedness. Thirdly, such a long-term perspective can lead to bulging heavenly riches that will be eternally secure from Wall Street charlatans and the present earthly domain "where moth and rust destroy, and where thieves break in and steal" (Matthew 6:19).

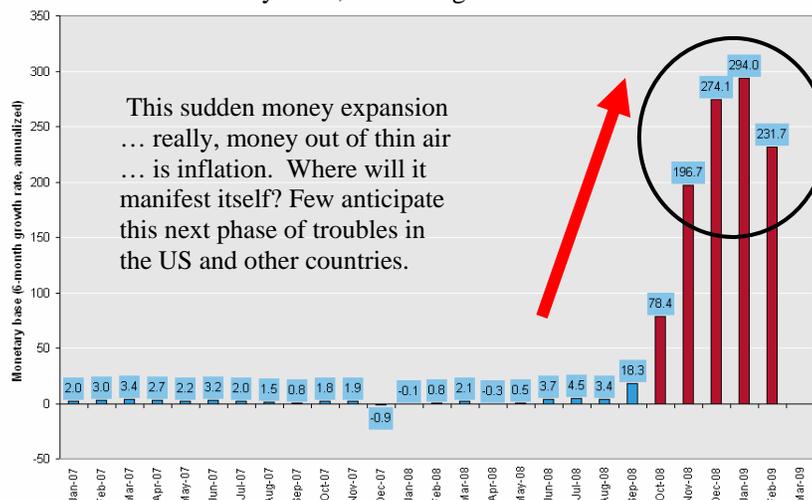
These are the objectives of this article: In these troubled times to find peace, contentedness and to "store up for yourselves treasures in heaven" (Matthew 6:20).

Let's briefly go back to the frenetic times we now see around us. Viewed from the popular vantage point, indeed, calamity has

... continued on page 3

Rounding Up for the Next Phase of Crisis

US Monetary Base, 6-month growth rate annualized



Source: Federal Reserve Bank of St. Louis, News N Economics

"The poor will eat and be satisfied; they who seek the LORD will praise him—may your hearts live forever!"

Psalm 22:26

In This Issue

Feature Report

Riches Despite Crisis: 10 Perspectives —pg. 1

World Money Update:

Next Trouble: From Fire to Frying Pan —pg. 1

Signs of the Times

Deceptive World of Money, Debt & Banking —pg. 5

Facts n' Stats —pg. 9

Letters to the Editor

—pg. 10

Personal Perspective

Facts Change, Therefore Outlook —pg. 12

WORLD MONEY UPDATE

Next Trouble: From Fire to the Frying Pan

It may be time to think like Latin Americans, Zimbabweans, and citizens of other kleptocracies. The cat is out of the bag—the great game of inflation and implicit global currency devaluation has begun. We always were convinced that it would. One of the key central pivot points for the future is now clear: Central banks are printing money. We hope we will not be thought as false alarmists. However, no one should underestimate the crucial significance of recent events. It is momentous ... as if the entire world will have shifted upon its axis.

What we mean by this term "printing money" is actual fiat money creation ... money out of thin air. There are no offsetting immunizations or reserves. Both the Bank of England and the US Federal Reserve have announced outright purchases of market securities. Other central banks can be expected to follow. In the case of the US Federal Reserve, it intends to buy asset-backed mortgage bonds (agencies) and

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treasury bonds totaling \$1 trillion (on the top of the \$650 billion in mortgage bonds already announced in 2008). The bell tolls. Central banks are desperately trying to re-inflate monetary channels. The chart on the front page, showing rate of growth of the base money of the US Federal Reserve, will provide the reader a sense of the monumental scale of current actions.

There must be an inflationary outcome of some kind because there is now rampant “monetary” inflation. This is the essence of all inflation and all its outworkings. The only question remaining, concerns the manner of its manifestation. Will inflation be reflected in consumer prices, financial asset prices, real assets, changes in the trade or current account deficits, currency movements or wealth transfers ... all or some? This is a critical question.

At the outset, we think monetary inflation will be reflected in financial assets prices, currencies and external accounts. At times such as this, it is worthwhile to recall the lessons of similarly inflationary eras (corrupt kleptocracies) as the Weimar Republic, various spirals in Latin America and lately in Zimbabwe. Once a “velocity inflation” began, people rushed to get rid of their cash. The price of everything else was rising rapidly.

Therefore, the greatest depreciating asset was cash and short-term money market assets. Once people become aware of this inequity, they changed their behavior rapidly, scrambling to buy food, stores of commodities, stronger currencies or equities ... anything that held the hope of being a better investment than depreciating cash. They literally rushed to get rid of money, rushing to the store as soon as they received their pay check. A type of this scenario lies ahead should central banks continue to undermine the value of people’s savings at the current rapid pace.

All of this is even more tragic for one additional reason. Do you know where most investors have been running to

safety over the past year or so? During the first phase of the Global Financial Crisis (GFC) they have rushed to cash and government treasury bonds. In fact, levels of cash-equivalent assets are now the highest on record relative to the value of the stock markets or the size of the US economy (Gross Domestic Product or GDP). As people have been dumping stocks, real estate and other falling investments (therefore, contributing to further price declines of these assets) demand for the apparent safety of cash has exploded. (Please see the chart on the opposite page documenting this development.)

The US central bank (and others, such the Bank of England) have happily obliged, effectively creating this cash from nothing. At the time of this writing, some \$675 billion has been “printed” to satisfy the higher demand of cash deposits. Please think about this for a moment. Are you afraid and desperate to find a safe store for your savings? Effectively, the Federal Reserve, has unlimited capacity to hand out straw money. The net result is that real wealth is proportionately devalued for everyone.

All of this is not necessarily obvious and may take some time to manifest its evil in the form that people recognize. While the fears driving these “flight to safety” flows may be understandable, it nevertheless stages the scene for the next big disaster ... the final effects of virulent monetary inflation. All the lambs have been rounded up in the slaughterhouse as they now will find themselves trapped in relatively-depreciating cash-equivalent investments and bonds. Can you see the makings for the next crisis?

Looking ahead, at some point, we would then expect general incomes, consumer prices and real assets also to be re-inflated. But this should not necessarily be expected to occur right a way, but could take place several years hence. That said, already inflation indicators are turning up in countries such as the UK and even the US. It is not difficult to see why inflation is an attractive strategy to central banks and economic policymakers. If incomes and the prices of assets such as homes can be made to rise, the impact of high debt levels of the past can be melted away. An apparition of booming wealth could again come into view temporarily.

While such an outcome may be attempted, ultimate hopes stand to be disappointed. Indeed, stock market levels could be manipulated up for a time, yet real economic life for the average person would deteriorate further. Likely, equity markets will be the main beneficiary of “crack-up boom” money flows that are trying to escape the depreciating value of cash-equivalent investments. Yet, at the same time, rising interest rates would quickly choke off economic recovery prospects. Also, relative wealth would have been greatly redistributed through the crisis period (which is exactly what is occurring at the present time), further undermining growth potential.

Another situation weighing upon America—effectively limiting its policy options—is exposed by this question: What will happen to the enormous holdings of US treasury bonds held by foreign central banks and sovereign wealth



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MONEY MONITOR & GLOBAL TRENDS REPORT



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funds (SWFs)? These also represent deferred inflation. How so? Allow us to answer with some technical detail. Apologies for the complexity of the explanations in this issue. Not everyone will understand the mechanisms explained. However, we think it is important to put foundation to our warnings. Please skip over the technical parts and read the conclusion.

The purchase of US treasury bonds by foreign buyers in past years originally helped to suppress US interest rates, boosted (or at least supported) the US dollar while the growing trade deficit had the added effect of exporting inflation abroad to the exporters. Foreign central banks, in turn, immunized much of this inflationary impact by buying US bonds. Now we come full circle ... years later. These central banks are now beginning to sell their US bond holdings. In economics, as in real life, it is near impossible to escape the ultimate consequences of one's actions.

As such, the US central bank's intent to intervene and to buy treasury bonds (with printed money) may actually be an anticipation of a tsunami of foreign sellers. Indeed, global reserve growth (more than half of this in US dollars) is stalling. In the case of some countries, reserves are actually falling rapidly (i.e. Russia). Should the Fed's purchases of treasury bonds be primarily sourced from foreign central banks, they will actually be underwriting global economies. If there will be any benefit for US households at all, such actions will at least have forestalled a steeper sell-off in US bond markets. But, let's not forget that the US budget deficit this year is projected to \$1.75 trillion (12.7% of GDP...yes this statistic is correct!). It goes without saying that there will be a large supply of US treasury bonds.

However, there are bound to be complications. Such policies could also heat up inflation in such countries as China. That would imply that the yuan (China's currency) would be forced to appreciate, causing further destabilization for US treasury bonds. There are no easy solutions; therefore more phases of troubles are likely.

The main point of our articles in this issue of *EVR*—with respect to the topic of the earthbound realms of money and economies—is that we should be looking ahead ... not behind. Hopefully, our brief explanations will have shown readers that new challenges lie ahead. These will be diametrically different, in our view, than those that have already occurred. While people are now holing up in what they perceive to be safe havens from the disasters that have already occurred, they are actually now sitting in the middle of the track of a train hurtling from a different direction.

It would not be surprising that financial markets may first celebrate the appearance of improving economic conditions. In fact, I expect that this is the case. Yet, the seeds of the next downturn have already been sown. America lies in the path of much continuing trouble. Though the next manifestations of crisis will be different, it nevertheless continues a downward path for America as well as for some other high-income countries. In this America is not alone.

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Source: Bloomberg

Riches Despite Crisis: 10 Perspectives—Part I

... cont'd from pg. 1

fallen upon the world ... and most terrifyingly upon America. Woe! Can't everyone see that things look dire and grim? Trillions of dollars have been lost; the value of our mutual fund holdings collapsed; pension funds eviscerated of future income support; millions losing their jobs; and countless thousands being evicted from their homes. Some even maintain that the apocalypse has begun. Doom is upon us. We must rise and do our duty and tell someone.

Whoa! Already, we must again break from the hysteria that so quickly threatens to overwhelm our souls at this time. Let's remain in rest from all the gloom and populist pontificating for the balance of this article series. We do not dispute that commercial challenges have fallen upon the world. However, we do need to get a grip upon a more realistic perspective ... on what really is unfolding. But, before doing so, let's first ensure an appropriate state of mind by acknowledging the point behind Christ's statement: "Who of you by worrying can add a single hour to his life?" (Luke 12:25).

Let's realize that spiritual and eternal views—in other words, perspectives on the real issues that matter for the long-term—are being overlooked. Also, recent world developments should be viewed in the context of the rapid, endtime processes enveloping the world. All in all, the anxious popular view at present is dangerously out of focus, particularly so in the North America.

Please consider these next 10 perspectives and then join me for some concluding comments. Hopefully, we will succeed in reaffirming essential eternal values and secure a realistic vantage point upon our times. People indeed are having trouble with a very basic question: How now should we live? We want to restore hope and thankfulness. After all, we are reminded that no matter what challenges and troubles may roil the sphere of this world. "For in him we live and move and have our being [...] We are his offspring" (Acts 17:28). Surely the Lord has not abandoned us.

1. Traveling With the Crowd. Let's first take a deep breath and start with a very basic lesson about crowd psychology. To begin, if you are relying upon newspapers and mass media to inform your world view—let alone your

economic opinions—you are vulnerable to being carried away by the crowd and becoming confused by the noise. You will become prey. Crowds are usually wrong and misdirected.

To avoid that critical error, here are some general rules. Firstly, you must always look past the sensationalist headlines ... well past them. Why? Remember that all reported news concerns the past. By definition, news only refers to trends and events that have already happened. While that may seem a redundant statement, it highlights an important point: People are more influenced by what has happened in the recent past, than by what is a reasonable expectation for the future. Therefore, most people (including professional economists, for that matter) extrapolate past trends into the long-term future. This rarely yields a correct perspective.

Secondly, as Malcolm Muggeridge once famously coined, the “media is the message.” We are reminded that the media is the world’s collective mouthpiece of humanistic perspectives. It likes to perpetuate the idea that only what is in the focal eye of the populist media is the essence of the current moment of human existence. Not so. No matter how the world may choose to view the significance of the times, our perspectives are to be framed by a Biblical worldview, recognizing that the “ecclesia” are those that are called out from the world. Jesus prayed that we be taken “[...] out of the world [and protected] from the evil one” (John 17:15). Again, “I have chosen you out of the world” (John 15:19). The world’s opinions are not usually relevant to the Christian life. You, therefore, need to screen the message of the media.

Lastly, we want to be alerted to the pull of mass psychology and the idiocies produced by the crowd. The distribution systems of modern media have become so pervasive and broad, they wield enormous influence over the opinions and mood of societies (also now even over entire mankind). As such, when the majority shares the same fears, beliefs or greed, it is difficult to maintain an independent course. Moreover, it is the nature of cliques and sundry crowds (therefore, also the world) to hold irrational beliefs and to be wrong and misguided. Even those that are widely thought to be wise, are proven to be fools. “For the wisdom of this world is foolishness in God’s sight. As it is written: “He catches the wise in their craftiness” (1 Corinthians 3:9).

What all these points implore is that we remain critical and independent of the populist philosophies of the media and our clique, as well as statistics. We need to think for ourselves as to the significance, dangers and opportunities of the financial and economic bedlam of recent times. Rather than looking backward, we should be looking forward. It is not unbiblical to do so. To Isaiah, the Lord said: “Forget the former things; do not dwell on the past. See, I am doing a new thing! Now it springs up; do you not perceive it? I am making a way in the desert and streams in the wasteland” (Isaiah 43:19) Said Apostle Paul, “Forgetting what is behind, and straining toward what is

ahead, I press on toward the goal to win the prize for which God has called me heavenward in Christ Jesus. (Philippians 3:13) Let’s not allow the past to dictate our future, whether in perspective or deed. Moreover, do not fall prey to the manias and irrationalities of crowds.

Just where should we find our information about the future, at least to the extent that this is available? The popular media? If so, you’ll need to wait until the future is reported after the fact. Discerning, Bible-reading people can do much better than that, as we will learn in the next points.

2. Rising Above Lies and Selective Statistics. While the popular focus of crowds can be dangerous to our perspective, so could our interpretation of information and statistics. Most everyone is familiar with the quote from Benjamin Disraeli (the first and only Prime Minister of England of Jewish heritage): “There are three kinds of lies: lies, damned lies, and statistics.” He said this back in the mid-1800s. Today, statistics are many times more treacherous than at that earlier time. We sadly cannot give this important topic its due in this short space. (Please read the booklet [Safety in Numbers: Precise Deception](#) from our website to gain a deeper perspective on this important topic.) Suffice it to say that statistics have become a very sophisticated and deliberate form of deception in the public sphere. Under the guise of seeming precision, statistics can deliberately lead to misinformation. Particularly in respect of economic data, very few people are able to reliably interpret statistics.

During my time as a research director of a major Wall Street firm, one of my big concerns was always the misuse and ignorant interpretation of statistics. All analysts know how to produce reams of statistics, but very few can validly interpret them to draw out their underlying causal meaning.

You may be surprised to learn that statistics do not have a claim upon truth. Far from it. Nor can statistics be used to reliably predict the future. With respect to economic data (almost all of it portrayed in the form of statistics) there is also the practical matter of first understanding the definition of the data. To briefly illustrate this aspect, consider the significance of the following statement:

March 6, 2009 (Bloomberg) -- The U.S. unemployment rate jumped in February to 8.1 percent, the highest level in more than a quarter century, a surge likely to send more Americans into bankruptcy and force further cutbacks in consumer spending. Employers eliminated 651,000 jobs, the third straight month that losses surpassed 600,000—the first time that’s happened since the data began in 1939, Labor Department figures showed today in Washington.”

Reading this, you may be led to conclude that employment conditions today are the worst since 1939. Actually, the reader has not been given enough information to draw a firm conclusion of any kind. You would first need to know the definition of “unemployment” (a definition that has changed many times over the years) and to be able to place this statistic in historical context. In reality, US

... continued on page 6

Signs of the Times



Deceptive World of Money, Debt and Banking

The current times have epic implications for the future course of the world. In this issue we quote from experts and visionaries (current and past), who understand the wiles and dangers of money.

“Throughout history, many nations, when confronted by sizable debts they were unable or unwilling to repay, have seized upon an apparently painless solution to this dilemma: monetization. Just have the monetary authority run cash off the printing presses until the debt is repaid, the story goes, then promise to be responsible from that point on and hope your sins will be forgiven by God and Milton Friedman and everyone else. We know from centuries of evidence in countless economies, from ancient Rome to today’s Zimbabwe, that running the printing press to pay off today’s bills leads to much worse problems later on. The inflation that results from the flood of money into the economy turns out to be far worse than the fiscal pain those countries hoped to avoid.”—**Dallas Fed Governor Richard, Fisher, May 28, 2008**

“Why should we worry about a monetary policy that depends on risk-free profits offered to speculators betting on higher bond values? Because it reflects the utter corruption of the profit-and-loss system on which capitalist production is based. It makes the businessman appear foolish who takes risks in the producing sector while trying to satisfy the needs of the consumers - when risk-free profits are available in the financial sector.”—**Antale E. Fekete, March 21, 2009**

“Contracting debt will almost infallibly be abused in every government. It would scarcely be more important to give a prodigal son a credit in every banker’s shop in London, than to empower a statesman to draw bills upon posterity.”—**David Hume, Of Public Credit, 1752**

“But what is ‘accounting truth’? It is never and never can be simply ‘the facts.’ Financial reporting attempts to measure inherently abstract and debatable concepts such as income and net assets, and it has particular features that make it to some extent inevitably subjective. Debatable indeed: accounting theories are debated over years and decades without one side or the other being demonstrated as correct.”—**Alex Pollock, AEI, Writing in RGE Monitor, January 12, 2009**

“Banks have done more injury to the religion, morality, tranquility, prosperity and even wealth of the nation, than they [...] ever will do good. Our whole banking system, I ever abhorred, I continue to abhor, and shall die abhorring [...] every bank of discount, every bank by which interest is to be paid or profit of any kind made by the deponent, is downright corruption.”—**US President John Adams, 1799**

“[...] the U.S. currently has a private debt to GDP ratio of about 3.5, which is nearly double the historical norm, at a

time when the underlying collateral is being marked down easily by 20-30%. That implies total collateral losses of 70-100% of GDP; a figure that includes not only mortgage debt in the banking system, but consumer credit, corporate debt and so on. [...] A continued policy of protecting all of these bondholders would eventually require U.S. citizens to be put on the hook for something on the order of \$10-14 trillion. We are nowhere near the end of this process. We simply cannot make these bad investments whole unless we are willing to hand the next 10-20 years of U.S. private savings over to the bondholders who financed reckless lending.”—

Dr. John Hussman, March 23, 2009

The country has tried to spend its way to prosperity over the last three decades. Total consumer debt is just under \$2.6 trillion, or \$23,600 per household. This includes credit card debt, auto loans and personal loans. There are approximately 170 million credit card holders who own 1.5 billion cards, or 9 cards per person. The average household carries nearly \$8,700 in credit card debt. The average new car loan is \$25,000 with a loan to value ratio of 93%. This means that the average new car owner is underwater on their loan as soon as they pull out of the dealership parking lot. Only 23% of the credit cards in the country are in the hands of prime borrowers. According to Fitch, write-offs are breaching 8% and are headed towards 10%. Auto loan delinquencies are already at 10%.—**Stairway to Retail Heaven, James Quinn March 4, 2009**

“There is no sin in the Koran—not even drinking, not even fornicating, not even homosexuality—which could be as abhorrent and serious as dealing in riba [interest]. If you had sukuk [or interest-free bonds based on actual assets], the subprime crisis never would have happened.”—**Yusuf Talal DeLorenzo, Islamic Finance Consultant, Foreign Policy, January/February 2009**

“All financial innovation involves, in one form or another, the creation of debt secured in greater or lesser adequacy by real assets. [...] All crises have involved debt that, in one fashion or another, has become dangerously out of scale in relation to the underlying means of payment.”—**John Kenneth Galbraith, A Short History of Financial Euphoria**

“If one were to extrapolate the recent growth of financial earnings vis-à-vis its share growth of total national income, in 25 years greater than 30% of net national income would be captured by the profits of this sector. That won’t happen because it is simply impossible. Financial services by their very nature need to remain symbiotically parasitic (*though not all of them are!*). They basically can only continue thriving so long as they don’t kill their host client. All in all, it’s a delicate relationship similar to the fermentation process in a wine vat. After sufficient sugar is converted by the yeast to alcohol, proof levels become toxic and kill off the same yeast. Of course, if financial executives had their druthers, they will prefer even higher financial profits (*i.e. higher alcohol content*) but too much will kill the host.”—**Wilfred Hahn, Global Spin, August 15, 2005**

EVR

unemployment conditions in the past have been much worse than was quoted above (for example in 1982, when unemployment under the definition of that time hit 9.7%). Of course, the population of the US and the size of its workforce (another concept subject to somewhat arbitrary measurement and definition) is some 3 times larger today than in 1939.

In any case, the news services that choose to portray this information in such a sensationalist form, have an agenda. They sell news, and pessimistic headlines surely sell newspapers. We discover here that statistics are interpreted and presented in a very biased fashion. This can contribute to the emotional swings of crowds.

Our simple illustration, of course, was not intended to deny that recent economic downtrends are significant and that joblessness is not rising. The point here was simply to raise awareness that statistics can be a powerful tool of misinformation, both intentional and accidental. You need not be so deceived. Strive to tease out the truth from statistics—the closest semblance to reality possible—rather than uncritically accepting a biased portrayal. Secondly, consider how economic data, which is always backward looking and often subject to “spin”, may influence the popular mood and psychology of crowds.

3. What Goes Around Comes Around. If you were a discerning person, you likely would not be surprised by the news now being reported by media scribes. For several reasons, you would have already known that mankind's economic systems have cyclical patterns. You realized that financial economies are driven by fallible, fleshly humans who are not always rational and logical.

Secondly, you knew that since time immemorial, the ebb and flow of commerce has coursed through ups and downs: steps backward and forward. Sometimes, such trend changes were caused by external shocks such as droughts or various natural calamities. At other times, such as of late, cyclical monetary and economic systems have been the cause. That economies should experience recessions followed by expansionary periods is little different than the regular cycles found in ecosystems.

That said, every now and then—and much, much more frequently than the merchants of perpetual prosperity would like you to believe—big economic and financial busts do occur. Therefore, these types of busts are also quite normal. Yet, most people are always shocked and surprised when these downturns come. They may have become swept up in the popular idolatries of the times; chased after false gods of prosperity and improper affections; believed the populist tripe of demagogues, politicians and economists alike; forgotten that the god of this age is a great deceiver; or simply listened to an ill-informed stockbroker.

There have been countless domestic economic recessions over the last century around the world ... in the many thousands. There also have been many crises which will have included banking and currency collapses, not to

mention deep recessions. A research paper issued by the International Monetary Fund (IMF)¹ counts over 42 such instances around the world between 1970 and 2007 alone, where all three types occurred. Over this period, over 124 currency crisis have happened. Much less frequent but normal are the big downturns—the really big collapses involving economic depression, banking system implosions and sometimes causing global financial contagions

A recent report series studies 21 such “mega” occurrences over a little more than a century.^{2,3} The more recent examples include Japan (1991), South Korea during the Asian crisis a decade ago, as well as Sweden (1991). What must we conclude from such studies? For one, big crises do happen fairly regularly and the one impacting the US and other nations around the world at present is not much different in character (at least, to date). The follies of mankind that crest from time to time have occurred for millennia. Says the writer in Ecclesiastes, “What has been will be again, what has been done will be done again; there is nothing new under the sun” (Ecclesiastes 1:9).

That said, while there may be similar patterns, there are significant differences in the details. Also, we must consider the cosmological timeline and destiny of mankind. The state of humanity and its systems today is much later in the eschatological timeline, of course. Yet, we could safely conclude that the current financial crisis being experienced in North America and the world today, would still qualify as occurring during the days where “[...] people were eating, drinking, marrying and being given in marriage [...] buying and selling, planting and building” (Luke 17:27-28). That means that the Rapture could happen at any time and that Christ's return be very soon.

The current financial crisis (as apocalyptic as it may seem to North Americans) still qualifies as a regular part of human existence. As George Friedman (the intrepid geopolitical expert of Stratfor) puts it, “There will be wars, there will be poverty, there will be triumphs and defeats. There will be tragedy and good luck. People will go to work, make money, have children, fall in love and to hate. That is one thing that is not cyclical. It is the permanent human conditions.”⁴ Though it may seem as such to some people, the Great Tribulation has not yet begun. You can be sure that the economic and financial collapses will be much greater at that time, as it will then be a result of the wrath of God himself.

Before, we move on to next of the 10 points, would you be open to some further historical perspectives on the severity of the present crisis? Compared to the average historical experience of the 21 major financial crises (referred to earlier, and also including the 1930s Great Depression in the US), the recent downturn in America to date is already far advanced. For example, consider that the average stock market decline during those 21 periods was a drop of 55% in real terms (meaning adjusted for inflation). By comparison, US equity markets have already fallen over 60% in real terms during the current experience (based on the S&P 500 stock market index, peak to trough). Whereas

real prices of housing declined an average of 36% over the 21 sample periods, this is already near being exceeded in the US (perhaps cumulating to a total real decline of 45% or so by the end of 2009.)

The only aspect of the current downturn that has not yet matched or exceeded sample average, is the economy itself. Here the average experience was a peak to trough decline in the economy of 9% in real terms, requiring approximately 2 years. That would equate to a termination for the US economic recession by the end of 2009. (The official start has been determined to be January 2008 by the National Bureau of Economic Research). If so, forward-looking analysts could soon lose their pessimism for a time. That turning point may not be that far away, and to the early bird goes the worm.

It may very well be true that the worst is already behind for this stage of the unfolding troubles. Time will tell. But we must also recognize that our brief comparisons have only referred to the average “crisis experience” in our sample set, and not the worst. Therefore, further deterioration is possible. That said, it remains a reasonable guess that the worst is already behind. Could housing prices drop another 50%, stock markets an additional 60%? While one should never say never, at the same time we forget at our peril that mankind’s monetary systems are fiat contraptions that are expressly designed for purposes of manipulation. In times past, when all else has failed, policymakers have always resorted to policies leading to massive inflation. Given recent actions of major central banks, this outcome is surely underway. We will ponder its implications and challenges—the next phase of troubles.

4. Crisis Are More Tolerable When They Happen to Someone Else. We have just learned that economic and financial crises of the scope now being experienced in the United States, while rarer, are none-the-less within the normal range of human experience. What’s different, of course, is that a major crisis should strike America this time. In many ways, it has been deserved as have most other such busts. However, for the sake of balanced perspective, we always like to point out the experience of Indonesia during the Asian crisis of 1997 to 1998. Why? Because this nation is the closest in population to the US and it suffered a terrible economic depression only recently.

North Americans today tend to believe that their current economic downturn is unjust, undeserved and especially bad; that there is some special significance because is happening to a country thought to be Christian; and, that the crisis is so significant that it must be of apocalyptic scope. Actually, when compared to the Indonesian experience, North Americans protest too much.

According to estimates by Goldman Sachs, the clean-up of the US banking system may cost the equivalent as much as 40% of GDP. In Indonesia, stabilizing its failed banks at that earlier time cost approximately 50% of GDP. Indonesia’s stock market fell more than 93% in USD terms and its economy contracted more than 20% over the 1997-

98 period. Though 230 million people live in Indonesia, this scale of human suffering at the time (hunger and riots resulted), did not signal the beginning of the apocalypse, nor did it generate much concern here in North America. The troubles of other people are rarely considered so severe as when we experience them for ourselves.

Sadly, the world is in a continuous state of crises, including such heinous things as genocide (even now), famine and wars. By comparison, is it so remarkable that a typical financial crises should not also fall upon developed countries such as Canada and the United States from time to time, especially so if they are deserved? To date, troubles have only been limited to financial and economic dimensions ... no famine, no pestilence. In any case, even were a country considered to be Christian, would that imply that no trials would ever come upon their land? No. The Bible says, “He causes his sun to rise on the evil and the good, and sends rain on the righteous and the unrighteous” (Matthew 5:45).

5. Beware Economists Bearing Forecasts. To this point, we have made reference to many economic concepts, quoted economic data, and even suggested some macroeconomic predictions. We need to recant. In case you didn’t know, the field of economics is not a science. Far from it. At best, it is a topic of study that may offer some practical tools and concepts. But more generally, the use of economics for predictive purposes and policy, must be seen as a secular religion.

The truth is that the prescriptions of macroeconomics are no more effective than voodoo. It is a faculty of study assigned to the humanities. Therefore, to the extent that policymakers have put their faith into macroeconomics, we all have been deceived by false prophets and a fraudulent belief system. The late great global financial crisis (GFC) reveals this to be the case. Why? The vast majority of the prophets and high priests of modern macroeconomics did not predict the economic wreckage of the current crises (practically none!). What has been witnessed is a systemic failure of the economics profession.

There has emerged a small number of scholars who are bravely exposing this empty tower of macroeconomics. In a recently issued paper, the authors pull no punches. They point out that:

“[...] systemic crisis” appears like an otherworldly event that is absent from economic models. [...]The economics profession has failed in communicating the limitations, weaknesses and even dangers of its preferred models to the public [...] makes clear the need for the establishment of an ethical code. [...] In hour of greatest need, societies around the world are left to grope in the dark without a theory. [...] The tradition [of crisis phenomena] has been neglected and even suppressed.”⁵

Apart from a few brave academics, the scientific fraud and failure of macroeconomics qualifies as the most unspoken fact in history (perhaps with the exception of psychiatry). Yet, at various gatherings of international

economists recently, no one admits to this dismal record. Their obvious failure remains an open, unspoken secret. They continue on with their voodoo, further offering up policy prescriptions to governments intended to rescue countries from the current crisis. The blind lead the blind.

Now, their divinations all reveal a future so dire that massive money interventions by central banks are considered essential. (In other words, massive deceit and theft is necessary. We therefore observe that one evil begets another.) These emergency prescriptions will be no more effective in solving the oppressive economic problems of today than a “bloodletting” or an “application of leeches” is likely to heal a patient suffering from dementia. The whole field of directing government economic policies or predicting the future through macroeconomic theory is really no more valid than following pagan omens and false visions of prophets of old. Beware! It has yet to be proven that an economist is a more successful investor or forecaster than anyone else. “Physician heal yourself.” (Luke 4:23)

6. Money: The Common Denominator of Truth?

Quoting a recent article expressing concern from a high-profile and respected Christian writer, “Americans have lost some \$3 trillion in wealth, as the markets have plummeted some 30%.” Ignoring that this statistic is out of date, just what is the point? Apparently there is gnashing of teeth, Christian business people (not to mention families and households) are gripped with great fear and they are looking for a special word from the Lord. Tough business conditions are surely not pleasurable, whether for business manager, owner or employee. All the same, some balance is needed in our perspective. Most Christians betray a very worldly and amoral view when it comes to matters of comfort and prosperity. Of course, all humans are predisposed to enjoy the same pleasures. However, we do not intend to oppose good pleasure. Rather, we only make the point that a pleasure cannot be consumed or enjoyed without at least some consideration of values and morals. This also applies to the pleasures of wealth and financial gains.

Can you think of a situation where a huge financial gain may be immoral? No doubt, quite a number of such personal scenarios could be imagined. Let’s next consider the same question on a more macro plain ... applying generally. For instance, if world real estate values are soaring, is that a good thing or a bad thing? While it may feel pleasurable at the time, we today (in the midst of real estate crisis) can surely recognize that such a development may not have a pleasant consequence.

In any case, just who has determined that financial upturns are no more allowed by the Lord than downturns? Why is it that Christians rarely ever seek the Lord’s direction when times appear to be indiscriminately “blessed” (seen from a worldly perspective)—i.e. when inflated millions and trillions are on the plus side of the ledger, and society’s arbitrary and imperfect indicators of well-being are all rising (i.e. stock markets and economic growth)? It reveals a duplicitous and false standard.

Financial and economic indicators are not to be uncritically adopted by Christians as the measure of what is right and wrong. That the Dow Jones Industrial stock market index should rise is no sure indication of a good development or the validation of a benevolent situation. It may be the exact opposite ... perhaps an illusory wealth bubble that ensnares many people. That being the case, just where were these Christian commentators when these corrupt financial conditions began to occur in the first place? There were few warnings. More likely, that time of false prosperity, which was actually based upon illicit underlying developments, were wrongly taken as a validation of God’s overall blessings. Could these conditions perceived as “blessed” also not have occurred because God relented and gave people up to the results of their own perversions? (Roman 1:24)

Surely, during the last few years, terribly corrupt and idolatrous conditions swept the US and most of the world. And, these conditions stand to get worse as grand monetary manipulations undermine any semblance of fair stewardship and ethics. That financial indicators themselves are deceptive is a very crucial realization that too few Christians have pondered. (For a more in-depth treatment of this subject please access the article, [Forecasting Right From Wrong: New domain of financial markets?](#))

As troubling and deceitful as the times may be, we must yet still strive to make the best moral decisions that we can. However, it remains very difficult to extricate ourselves from the influences of pagan perspectives which are so deeply imbedded in our societies.

Here is an important question that you must answer for yourself. Jesus, said, “No man can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other. Ye cannot serve God and mammon” (Matthew 6:24, KJV). Then, is it really possible to wholly serve God, while employing the score-keeping values of Mammon? If you are called to be obedient to the Lord and it costs you in earthly monetary terms, what value will guide your decision? Your answer will reveal who you really serve. “For where your treasure is, there your heart will be also” (Matthew 6:21).

(We continue with Points 7 through 10 and the conclusions next issue.)

Notes

1. IMF Working Paper: Systemic Banking Crises: A New Database, prepared by Luc Laeven and Fabian Valencia, September 2008.
2. Carmen M. Reinhart & Kenneth S. Rogoff. This Time is Different: A Panoramic View of Eight Centuries of Financial Crises, April 16, 2008
3. Ibid, The Aftermath of Financial Crises, December 19, 2008
4. George Friedman, Overture: An Introduction to the American Age (John Mauldin, Outside the Box Special Edition).
5. The Financial Crisis and the Systemic Failure of Academic Economics. Various contributors. Corresponding author: University of Kiel, Department of Economics, Olshausenstrasse 409.
6. Foreign Policy magazine, Fall 1996. Securities: [The New World Wealth Machine](#). John C. Edmunds.

Facts & Stats ... Ends & Trends



TOPICAL QUOTES

“The median household with a person between the ages of 45 to 54 saw its net worth fall by more than 45 percent between 2004 and 2009, from \$172,400 in 2004 to just \$94,200 in 2009 (all amounts are in 2009 dollars). If the median late baby boomer household took all of the wealth they had accumulated during their lifetime, they would still owe approximately 45 percent of the price of a typical house and have no other assets whatsoever.” - **David Rosnick and Dean Baker, CEPR Policy research paper, February 2009**

China’s monthly vehicle sales surpassed those in the United States for the first time in January (2009), moving this country closer to becoming the world’s biggest auto market. China’s ascent in the global auto market has been hastened by the plunge in the U.S. auto sales, which tumbled 37 percent in January to a 26-year low of 656,976 units. - **Yahoo Finance News, February 10, 2009**

Close political-corporate ties exist in nearly every country. In Russia, fully 87 percent of the Moscow stock exchange’s value is in companies with close Kremlin connections. Maybe this isn’t such a shock in the unruly capitalism of post-Soviet Russia. More surprisingly, nearly 40 percent of the London Stock Exchange is politically connected. Sadly, the United States appears to be more like Italy than Britain. Numerous studies have found that the economic fortunes of well-connected U.S. companies mirror the political fortunes of their connections. - **Raymond Fisman, Edward Miguel, Foreign Policy, Sept./Oct 2009**

US Household wealth fell 18% or \$2.81 trillion in the third quarter 2009, the second fastest decline in 56 years. Real estate holdings declined \$647 billion, stocks by \$922 billion, mutual funds by \$423 billion and life insurance and pensions by \$653 billion. - **Fed Funds Report, 3Q 2008**

“Just under half of corporate debt in America was rated as ‘speculative’ at the end of last year, according to Standard & Poor’s, a rating agency. The share of junk-bond issuers in the corporate-bond market had risen from a low of 28% in 1992. - **Economist Magazine, February 28, 2009**

At least 9 million temps are employed each day around the world, bringing in more than \$300 billion in revenues for ever expanding staffing agencies. Temps’ ranks have swelled thanks to dramatic growth in the service industry and the remarkable flexibility these worker offer firms.- **Foreign Policy, June 2008**

“In this economy, even the wages of sin aren't what they used to be. Market lore says people keep spending on sex, booze, butts and slots in hard times, no matter what. Sin is supposedly recession-proof. But the widespread weakness among so-called sin stocks suggests the downturn has converted a lot of sinners into saints. Playboy Enterprises stock is down about 80% in the past year, twice the 40% decline of the S&P 500 Index Casino operator Las Vegas Sands is down more than 90%. And alcohol stocks such as Diageo and Constellation Brands have done little better than the market. - **Michael Bruch, www.msn.com, January 31, 2009**

When the Economist ran God’s obituary in its 1999 millennium issue, many readers surely considered it a tad premature. After all, from the ballot box to the battlefield, the almighty shows little sign of disappearing today. By 2050, 80 percent of the world is expected to belong to one of the four main religions—Buddhism, Christianity, Hinduism and Islam—up from 73 percent in 2005. How these faiths spread, stagnate, or turn more conservative will greatly influence the world’s economics, conflicts, and public life.”- **Foreign Policy, June 2008**

When I get money, I get rid of it quickly, lest it find a way into my heart.” - **John Wesley**

“The world wants to be cheated, so cheat.” - **Xaviera Hollander.**

“Confidence is the most important thing, more important than gold or currency.” - **Wen Jiabao, China’s Premier, March 14, 2009, People’s Daily Online**

“Though the life of man may be short of a hundred years, he gives himself enough anxiety as if he were to live a thousand.” - **Ancient Chinese Proverb**

“The last place a person gets converted is in the pocketbook.” - **Anonymous**

“If you examine any form of US currency, it clearly states ‘In God We Trust’ and apparently this is the real secret to operating and managing a fiat currency. God help us all, should this system ever collapse.” - **J. Clinton Hill, Feb. 6, 2009, RGE Monitor**

“It is well enough that the people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning. - **Henry Ford**



Letters to the Editor

(Editor's Note: In this section we share and respond to some of the letters and emails we receive. We appreciate them. Here we focus on the practical issues of stewardship in this age, interesting questions, as well as general feedback and insights. Please note that questions may be edited.)

READER: Re: Endtime Shoe: Fitting the World for 10 Toes. Excellent article, Brother Hahn! While the U.S. begins its spiral down, Russia is regaining its strength. I couldn't help but wonder if the 10 kings won't appear until after the Ezekiel 38-39 battle where Russia and its coalition partners meet their demise at Yahweh's hands! I still expect the U.S. economy to collapse in the next 12 months or so, and the U.S., Canada, and Mexico joining together, first economically then finally politically to form one of the 10 kingdoms. The popular name for that merger is the "North American Union". The sovereignty of all 3 countries will be given up, as well as their constitutions, and a new constitution will be created... one without Judeo-Christian values! At least that is what I sense is in the works. I hope I am wrong. Maranatha! (Comment taken from <http://bible-prophecy-today.blogspot.com>.)

EVR: Thank you for your insights. I must admit that my views on the Ezekiel 38-39 war are tentative. I have studied these chapters seemingly without end, and have yet to come to a conclusion that I am convinced would be completely defensible. There is a wide range of views on this question amongst reputable prophecy scholars and experts. Therefore, I must sit out the debate on this question.

READER: Re: Endtime Shoe: Fitting the World for Ten Toes. I agree with you that the 10 toes have to emerge before the Antichrist is revealed. However, I don't think your idea of the 10 (if I understand you correctly) is ten regional powers (as in the EU, NATO, etc.), but simply 10 countries in a single empire that extends its financial control over the world, which is what I believe we are actually seeing happen. Now, of course the EU (European Union) has over 20 members, so the EU, as such, is not that 10 toes kingdom. However, they have an inner core group called the WEU (Western European Union) which does have 10 members. If they really are the 10 toes Daniel prophesied, then the world can get its Antichrist right away. There's no need to wait for 10 regions to form. The ultimate irony of whether it's going to be 10 regions or just 10 countries, is that we'll probably never see on this side of eternity which one is correct, as the Pre-Trib Rapture will likely take us out of here before it all explodes on the world.—RK-USA

EVR: No, I did not state that 10 regional powers will form the final 10 kings. I don't believe that this will be the case although it is theoretically possible that one or more of these 10 kings (rulers or sovereign heads) could represent a subsidiary group of nations. Whatever the case, the key point made in the article was that it is impossible to have 10-kings rule the world if one of them (or a nation outside

of their coalition) is a superpower that can over-rule them all. Therefore, it only follows that geo-political power in the future must equilibrate ... in other words, become more balanced between the final 10 kings. Please see our website for additional articles on the 10 kings. The booklet The Last Days Power Coalition would be particularly useful as it lays out 13 sets of identifiers of the last 10-day kings. It is highly likely that we will never know the exact identity of the 10 kings until that time arrives. In any case, the Rapture could occur before that time.

READER: I came across your web site by reading a distribution from www.prophezie.com. Reviewing a Power Point presentation by Wilfred Hahn on the site entitled A Premillennial View on Global Collapse, I noticed the following statement on page 9. "4. British Israelite groups will see vindication." I would like to know what that means. The only British Israelite that I have heard of was from Herbert W. Armstrong and it says that the British are the true Jews and that the throne of England is the throne of David. Is that the same thing he is talking about, how will they see vindication? Thanks.—WA- USA

EVR: There are quite a few groups (some historical) that lean to British Israelism. They have points of differences between them, but in the main, they all hold to one key distinction and that is that the British (or people of Northern Europe) are the blood-line descendants of the Israelites. They see the modern-day Anglo Saxon nations (prominently America, of course, but also others) to be the offshoots of the lost 10 tribes of Israel. Of course, they were never lost. The late Herbert Armstrong (founder of the Worldwide Church of God) is generally recognized as the most influential teacher of this view in the last century, this perspective sometimes being identified as Armstrongism. The term British-Israelism goes back to the original movement promoting this view in the mid-1800s and has ever since carried a discredited reputation due to other unrelated errors of its teachers. The offshoots from the Worldwide Church of God (since its break-up following the passing of Armstrong) have been quite prolific in recent decades. They are evangelical, having some differences between them in aspects of eschatology and in relationship to Jewish law. They generally interpret prophetic Scripture to prophesy that the Lost 10 Tribes will be punished during late-stage endtimes. As such, the fact that financial/economic troubles are seemingly centered in the US, Britain and Europe, etc... as of late, will be seen by them as validation for their interpretational system.

READER: Thank you for your Christian newsletters. One specific issue that you address is the issue of fractional reserve banking. When I was in the sixth grade my teacher talked to us about fractional reserve banking and I argued with her that it seemed crooked. Ever since then I have been a student of economics and money systems. I believe that fractional reserve banking is a business based on a lie. Simple proof: If we all went to take out our money (that they tell us on our monthly statements is in the bank), they couldn't deliver it to us. This seems so trivial to many, but breaking God's law has horrific consequences. Our system

of money creation is money loaned into existence with the condition that we pay it back plus interest. I have talked to probably hundreds of people about fractional reserve banking, and no one to date has given me a reasoned argument against my thinking. This is an issue that almost all of the so-called conservative radio talk show hosts ignore. People in the most powerful positions don't seem to have a clue about how our money system works. I can pick up a college textbook on Finance or Macroeconomics and it explains our money system very clearly, but no-one seems to question it: Is this really an honest and stable system? In my view the answer is no.—**RS-USA**

EVR: Thank you for your note and thoughts. Indeed, I don't find very many people either who really understand the flimsy foundations of our monetary situation. This reality may become more obvious during the current times as people see how everything really hangs on "confidence." This is a fleeting and fickle foundation to be sure. However, it is also true that many people prefer to be deceived than to know the true reality. I have written about this falsehood of "fraction-reserve banking" in a number of articles. . Ultimately, the idea that debt can underpin our monetary values as an asset is perverse. The companion doctrine of modern economic and financial deception is the notion that capital markets can take on mythological goodness as well as future knowledge. Markets, the amoral human voting machines of self-interest, are seen to anticipate the future as well as best determine the common good for mankind. We can imagine that such systems will not be operational once all things will be "restored." **EVR**

Facts Change, Therefore Outlooks Change, Too ... cont'd from back

this fact. Rather, what was puzzling was the proper interpretation of the statement that "the coming of the Son of Man" (24:37) would be at a time similar to that of Noah, where the world would be "[...] eating and drinking" (verse 38) seemingly carrying on in happy complacency. This statement seemed to imply that Christ's first return to receive the saints "in the air" (1 Thessalonians 4:17) could not occur at a time of world crisis. If so, that would imply that the Rapture could not occur at the present time of world-wide fear and angst. This view is wrong for several reasons. Of course, it also undermines the concept of imminency ... that the Rapture can occur at any moment.

As asserted in the *Feature Report* of this issue, the current financial tremors do not qualify as the extraordinary times of trouble that will exist at the time of Christ's return (at the end of the end of the Great Tribulation). Conditions then will be much worse. The global financial crisis (GFC) is not outside the experiential norms of the vast sweep of human history. What presently is viewed as a crisis in the minds of most people today is not sufficiently bad enough to qualify as a time where the Rapture cannot occur. It can indeed occur while people are being evicted from their homes in North America or thousands are starving or being maimed and killed in other parts of the world. Sadly, it is all a normal part of the baleful history of sinful mankind.

Though we could be raptured at any time, just what lies ahead for the world? We provide our answers (opinions) to this question elsewhere in this letter. Here, I wish to express one other opinion. It has to do with the untimely hysteria that is being fanned up by opportunist authors. A visit to the bookstore will confirm an avalanche of "gloom and doom" that have been rushed to the stores. I think this is irresponsible as the vast majority of these books are either too late or dangerously misdirected. At this point, for my part, I refuse to scare people with the black scenarios of what has already occurred. That time for that—when people still had time to take precautionary actions—has passed. No, we must now look ahead and prepare for the next challenges ... the next phase.

Admittedly, looking past the dire conditions of the present time is not that easy. Not surprisingly, I receive emails effectively telling me that I can't read today's newspapers and don't understand the obvious implications of the present economic fallout. People fail to realize that for the most part, the present disaster stage that is gripping everyone's attention has already mostly played out and their effects now clear. That the present manifestations of crisis would occur was obvious a long time ago.

Opinion and sentiment polls recently again confirm that the crowd reaches its most morose and pessimistic state after looking into the rearview mirror. People are now more unanimously pessimistic than ever before in the history of such measures. A recent CNN poll indicated that 9 of 10 people in the US expect economic conditions to get worse. In my view, it is now utterly irresponsible to hype up the bad news of plunging economic indicators, scaring people into taking actions and decisions that are now much too late. Those who do, are not doing anyone service. In fact, they may be contributing to a great tragic disservice. They should be looking ahead.

Please think about this very seriously: If you are now hyping up the sensationalist newspaper headlines (which everybody can read for themselves) you are playing an unwitting part in an endtime trend that is contributing to a world with an ever greater wealth skew and more entrapped, and economically-oppressed people. Why? You are looking backward, not forward, and may be contributing to people's emotional, untimely and inappropriate reactions. We need to look ahead to the next great challenges and deceptions. And, that is what we attempt in this issue's *World Money Update*.

And that, as best as I can tell, is the truth.



Wilfred J. Hahn

EVR

Wilfred's 2009 Itinerary: *The Mulberry Ministry*

- **October 4-6: *Midnight Call Ministries, 2009 Atlantic Prophecy Conference—Myrtle Beach, SC.* Contact www.midnightcall.com or call 1-800-845-2420**



Personal Perspectives

Facts Change, Therefore Outlooks Must Change, Too

Those of you who have been reading *Eternal Value Review* for some time (*now in its 12th year*), and have read the *Mulberry Ministry's* articles, pamphlets and books, will vet and confirm this as fact: We had long warned about the high probabilities of a massive financial and economic collapse. I have explained the reasons why many times over. In fact, a major part of the book, *Endtime Money Snare*, (published back in 2002) was directed to this task.

There have been countless articles, papers and reports, both since and before, whether in professional, secular or ministry circles. For example, as early as 2004, it was possible to discern the dangerous trends that were underfoot in the real estate markets. It was obvious that their continuation would lead to a lot of grief for the unwary. (See [A Warning That Hits Home](#), May 2004, and its updated 2007 version). Already at that time, it could be discerned that there were spiritual dimensions to this looming real estate disaster. Quoting from the original article (since updated): “[...] some time ago home ownership began to be used as an instrument of ensnarement. Something that was good was taken to excess and directed to an evil end as materialism began to sweep the land.”

That financial instabilities were becoming ever more critical was repeatedly laid out. (For a more recent article, see *The Coming Economic Sand Slide*, published Sept 6, 2006.) Weren't our warnings too early? No. The message behind our alarms was that the path taken would lead to disastrous consequences. The hope was that behavior would change and its consequences therefore avoided. In any case, it is necessary to be early rather than too late. Why? How else will people have sufficient time to respond and take precautions?

Please do not take these comments as a haughty “I told you so.” In the first place, I take no pleasure in the actual occurrence of what we might have been anticipated. It would be better to have been proven wrong, had it spared people some trouble. The key aspect to understand is that I have no special powers of prediction. Any discerning person with common sense would have feared the same outcomes. As the matter stands, I never could, and still cannot predict anything with precise timing and accuracy. I will admit that for years I was amazed at how far irrationalities continued, given that the ultimate unpleasant outcome was so obvious. Looking ahead, I have no idea as to how things will exactly unfold. I may have some hunches and I can certainly lay out a few plausible scenarios with reasonable probabilities. But I still cannot tell you which one will definitely occur and when.

No one can. Anyone that claims a skill of accurate

prediction (especially if they are charging a fee for it) is deceiving you. Not only that, they reveal a lack of knowledge of the complexities that are involved in any given scenario. Indeed, I may have an informed perspective on such aspects, also having experienced the treacheries of Wall Street's culture firsthand. Yet, my expectations are frequently proven wrong.

John Maynard Keynes was recorded to have said, “If the facts change, I change my mind. What do you do, sir?” It's one of the realities of fallible mankind. No one is right all the time. No human being has full revelation nor could fully understand it were this possible. Jesus Christ was the only man who qualified as having full revelation without error. Such brilliant people as John Calvin or Augustine, for example, benefited from important insights, yet they were not exempted from erring. Unfortunately, the downside of great repute was that their errors therefore also wreaked great damage.

Thankfully, my errors affect only a very small number of people. That is a good thing. Facts do change and learning thankfully continues. As such, I have most definitely changed my opinions in a number of matters over time. For example, years ago, contemplating the looming probabilities of financial and economic instabilities, I could not know whether the next big global crisis would be the one occurring inside in the Great Tribulation or not. We now know that this is not the case. There has not yet been a Rapture; nor has the Antichrist come upon the scene; and neither have the final 10 kings that must precede the Antichrist. “The ten horns are ten kings who will come from this kingdom. After them another king will arise, different from the earlier ones; he will subdue three kings” (See Daniel 7:28).

The conclusion? The current global crisis serves as a staging ground (perhaps one of yet many) for other endtime developments. (A recent 2-part article series, [Endtime Shoe: Fitting the World for 10 Toes](#), poses some possibilities.)

I also once thought it likely that the contagion of financial collapse in America (ground zero for the current global crisis) would be the catalyst that would cripple the entire world in the final endtime collapse. Here again the balance of facts has changed. While America's troubles are certainly rocking the entire world, causing major adjustments in trade and financial flows as is already evident, other nations are now sufficiently independent and can in time successfully weather such storms.

Another crucial consideration I have jostled with (even recently) was the question of the advent of the Rapture and the Lord's return. Of course, Scripture is clear on the point that we cannot know this “[...] because you do not know the day or the hour” (Matthew 25:13). There is no contesting

... continued on page 11

