



ETERNAL VALUE REVIEW

MONEY MONITOR & GLOBAL TRENDS REPORT

Issue 4, Volume 15

"For thinking Christians seeking to understand the times."

AUGUST 2012

FEATURE REPORT

A World Ruined and Ruled by the Tyrant of Price

Does anyone doubt the endtime role of money? We quote this long-urgent observation: "We live in a dangerous world where prices abound without values; and costs are only measured in prices. In such a world the price becomes the value and values are separated from real costs. What that means is that the common denominator of what is right becomes the price. A world ruled by price? That's what happens in a world that is quickly globalizing and financializing. Price then becomes the world's judiciary. It alone determines what is right and good."

To gain insight into how this tyrannical state of affairs has come about, it is first necessary to examine the role of numbers and numeracy. These provide an on-ramp to this tyrannical new world.

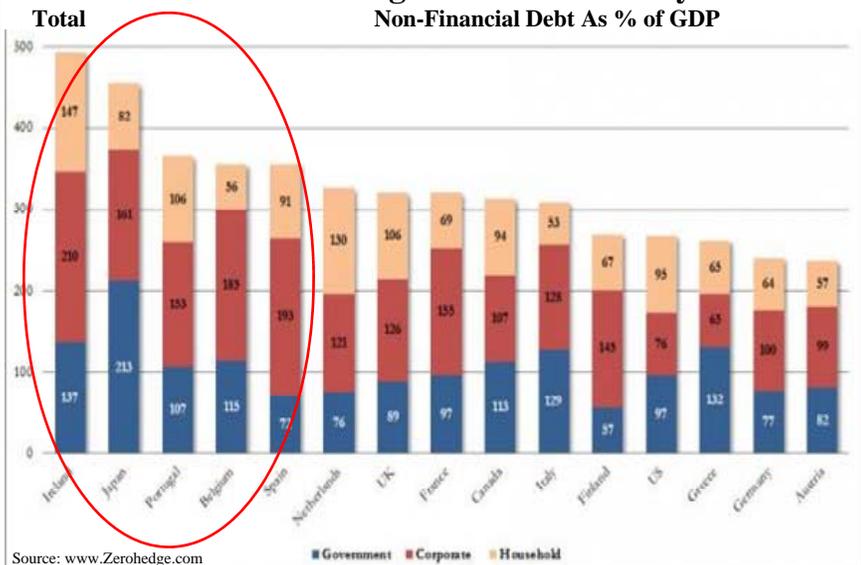
[Editor's Note: This article is a slightly-modified version of Chapter 8 of the 2002 book, *Endtime Money Snare: How to live free*. It is even more relevant a decade later.]

Let's begin our investigation. What follows might seem like a jumbled assortment of trivia, yet they are all connected in an important way. Can you identify the commonality?

- The Canadian government estimates the average cost of every suicide in the Province of New Brunswick at \$849,877.80. An official stated that the study was done to show the importance of measures to prevent suicide, and that economic studies are the way to raise awareness of health problems.
- Having a successful marriage is enormously important to happiness — it is worth the equivalent of \$100,000 a year in income calculates Professor Andrew Oswald of Warwick University.
- Tuesday, February 29, is expected to have added about \$25.3 billion to the US gross

... continued on page 3

Nations Succumbing to Creditors One by One



"Will not your creditors suddenly arise? Will they not wake up and make you tremble? Then you will become their prey."

— Habakkuk 2:7

WORLD MONEY UPDATE

Disaster Economics

The expression "disaster economics" has recently been popularized. We think it is an appropriate term for the times. A slow-moving "economic disaster" has been working its way across the globe, assuming different phases and symptoms. It has a long way to go until all the misaligned imbalances in the world are finally settled. The current trends that we are witnessing are part of an ending on a number of levels. It is most certainly true that the great halcyon era of the post-World War II period of prosperity has come to an end. Almost all the trends and developments that underpinned this era are no longer in force.

Economists are offering a wild array of causes, couching their opinions in heavily technical language. One that is more cogent than many is by Daniel Alpert, writing on Roubini.com: "[...] the "Four Factors"—summarized as follows: (i) exogenous oversupply relative to global demand, (ii) classic Fisher-described debt deflation, (iii) excess technological productivity relative to the availability of global labor, and (iv) inter-

... continued on next page

In This Issue

Feature Report: *A World Ruined and Ruled by the Tyrant of Price*

—pg. 1

World Money Update: *Disaster Economics?*

—pg. 1

Signs of the Times: *Trends that Rhyme with Bible Prophecies*

—pg. 5

Facts & Stats —pg. 6

Letters to the Editor —pg. 7

Personal Perspective *Susceptibility to the Bias of Modern-day Forecasters* —pg. 10

generational demographic challenges.” Does that make sense? Most will not want to answer, at best thinking this statement somewhat foggy due to the technical terms being used.

If we were to be limited to four candidates, they would be as follows: 1. A radical change in moral values, which impacts the workings of money as much as it does any other conduct; 2. A massive slow-down in population growth, particularly so following a period of rapid acceleration (1900 to 1950 or so); 3. A continuing centralization of wealth, with its handmaiden over-indebtedness; and 4. Immoral monetary policies, promoting all types of economic and financial bubbles.

Of course, a detailed list of additional factors could be mentioned, including the rapid advance of globalization, the late and sudden rise of the manufacturing and consumption capabilities of populous countries such as China and India, and a host more.

In the meantime, what about Europe? Will Europe ever produce a truly unified association of countries? Will it include all current European Union (EU) nations ... or a smaller subset ... or several subsets ... or a powerful association of the top ten? Countless theories abound.

There have been numerous skeptics and very few commentators have predicted EU success. In fact, this seems to be the case today more than ever before, given the painful economic and financial tremors that are pounding Europe presently.

Foundationally, the current economic problems stem from there being different cultures and philosophies within the membership of the Eurozone. One group allowed the size of their governments to swell, remaining unconcerned about their large trade deficits and rising debt levels. These debts became large and eventually unsupportable. A somewhat opposite mentality gave rise to competitive manufacturing and high exports, and eventually, therefore, large exposure to the credit of the countries to which they

were shipping their products. However, to allow these trends to reach irreparable extremes requires an enabler of such “fair-weather” behavior ... namely, the lender. This is where countries such as Germany have fault though they may be prodigious exporters.

The bottom line is that it has required two basic character types to cause this intractable tangle that is now the Eurozone. While European policymakers may be inclined to treat the surface lesions, these underlying differences are still being left untreated. However, Europe has already traveled a long way down the unification route. There are only a few key steps left to take — these being most disagreeable to those nations not willing to forfeit sovereign independence.

Remember that the unified Europe project was built on the strategy of the “pocket book attack.” Observing global financial markets these past decades, we have witnessed this principle at work repeatedly. Voters are inclined to vote with their pocketbook. The original architects of the European Union and the common euro currency knew this at the start. It was well anticipated that individual countries and people would not give up their sovereignty or freedoms willingly and that only financial crisis could break through such societal inertia. Without crises, there will not be a unified Europe.

Therefore, the key question has always been this: How much crisis and blood in the streets does it require to reach common resolutions and solutions to whatever issue is eroding financial and economic confidence in Europe? The same question beckons now.

Yet, there are other realities that shed some perspective on the manageability of the problems. Were EU member countries today to agree to common fiscal controls and a common bank regulator, it would represent an economic bloc with financial underpinnings that would outshine those of the United States. Europe’s government debt would not be as large (relative to the size of its economy) and its combined budget deficit would be approximately half that of the United States. This perspective also shows that the U.S. will again have its day back in the dog house ... someday.

Turning to the world scene, quite frankly, there are so many unprecedented developments and unstoppable devolutions in the world of finance, economics and geopolitics, it is remarkable how quiet and docile most people are. Of course, there is no lack of people who promote false hopes, but the reality is that more financial collisions are unavoidable. In what order will they occur? What country will be next to suffer a collapse in confidence? As of this point, countries such as Greece, Spain, Italy and France (yes, even France, the second largest nation in the Eurozone) are unavoidably succumbing to the “debt trap.” America, too, is presently heading to the same outcome ... provided that it does not change course first. For the time being, it is being protected, so to speak, by the histrionic financial fireworks in Europe.

EVR



ETERNAL VALUE REVIEW
MONEY MONITOR & GLOBAL TRENDS REPORT



Wilfred J. Hahn, Editor

Eternal Value Review is produced bi-monthly by *The Mulberry Ministry*, P.O. Box 41159, Lake Country, BC, Canada, V4V 1Z7 Please direct all inquiries concerning distributions in writing or by contacting our administrative offices at admin@eternalvalue.com.

Annual Subscription Rates - *Eternal Value Review* is available free of charge in PDF format to on-line subscribers six times a year. Please sign up for free distribution at www.eternalvalue.com. Back issues are posted on our website.

Questions, comments, correspondence and relevant news items are welcomed in writing to the Editor at the above-named address or e-mail to staff@eternalvalue.com

Financial Health Warning - The use of *Eternal Value Review* for the promotion of any other commercial activity or pursuit is expressly prohibited. *The Mulberry Ministry* does not endorse any third-party financial product, service or any promotion of an investment scheme.

Copyright - ©2012. Mulberry Press Inc. One-time reproductions and excerpts are encouraged for the purpose of introduction of the viewpoints of *The Mulberry Ministry* without permission.

Bible Quotations - All scriptural references are quoted from the *New International Version* unless otherwise stated.

A World Ruined and Ruled by the Tyrant of Price ... cont'd from page 1

domestic product in the year 2000.

- A study by the Australian government estimates that if 50 percent of all trade barriers for agriculture, services and manufacturing would be removed, it would boost the world economy by more than \$400 billion by 2015.
- Thomas Hopkins of the Rochester Institute of Technology puts the cost of complying with federal rules at \$668 billion in 1995. Employing his conservative estimates, he suggests that federal regulation costs the average American household \$7,000; more than the average tax bill of \$6,000.

You will probably have guessed the commonality of the above-mentioned facts. This collection of anecdotes isn't any different from what might ordinarily be found in a daily newspaper; however, that is not their connection. What is common to all of them is that they are all related to money. Every one of these trends or conditions, no matter how abstract or unquantifiable, has been expressed as a value in terms of a currency.

Your first reaction, like mine, may be this: Just how were these estimates made? What techniques could possibly have been used to convert all these unrelated phenomena to a common language of money? Some of these facts do not seem particularly suited to being expressed as a monetary value. This practice of relating facts to monetary value can be crude and inappropriate. After all, can human life be valued in terms of money? What is the value of a liver transplant? What is the real, monetary value of truth? These are difficult questions and the answers are unquantifiable. Yet, estimates like these are printed daily about almost anything and everything.

It wasn't always this way. What happened?

The new common language of the Endtime Money Snare is revealed — the numbers of money.

A World Colored with Hazardous Statistics

We live in a world of numbers. They shape our world in numerous ways, most of which are obvious. For example, all of today's computer data systems are based on a numerical language. Networks, digital communications systems, and anything controlled by a microprocessor or integrated circuit are driven by numerical formulas and codes. The organization of our society — the entire world — centers around numbers. Phone numbers, street and house numbers, passwords, bank accounts, investment accounts and so on are all expressed in numerical digits. But, let's not get hung up in a detailed account of the new mathematical theories and digital technologies that are sweeping the world. We are more interested in the application of numbers, how they are interpreted, and their influence upon our beliefs. More importantly, we want to better investigate their role in endtime events.

Numbers shape and form statistics. That fact allows statistics to be considered as the representatives of truth. But what if numbers lie?

Numeracy — the practice of documenting news, opinions and trends with numbers — is highly valued today. News reporters and researchers practice it carefully. If I did not

exhibit some numeracy in writing this article — peppering its pages with statistics and footnotes — you, the reader, would surely find my views less credible. If I did not document trends by expressing various changes over a given period in terms of percentages, or by counting the growth or decline in the units of something, or referencing this information to reputable sources, you would be less able to assess the validity of my conclusions. Numeracy, therefore, is very useful when used in good measure.

Yet, an excessive fixation with numeracy can lead to dangers — ones that are extremely hazardous to anybody seeking to understand the times. How can numeracy — something that is innately useful — lead to peril? It serves as the springboard for three negative developments in our day: As a mechanism for widespread deception and misinformation; as a bridge to a world totally defined in terms of money; and lastly, to a world which chooses to accept numerical systems and mathematical theories in place of God ... in other words, the Truth.

How a World Language of Money has Emerged

In my view, monetary numeracy — a common world language of money — has happened in several stages. It began with a fixation on quantification. Every trend and development is expressed in numerical terms, documented and captured in a statistical quantification. That in itself is not overly worrisome. Where the danger really lies is in the fact that our focus has moved from the real — the actual thing that is happening or being documented — to the statistic itself. The statistic now serves as a numerical image of the thing that is being quantified.

Just how accurate is this picture? Can numbers really capture all of the nuances of something that is real? Three apples on a table may be exactly that. But what does it mean that the annualized rate of inflation has fallen to 2.0% over the past month? Or, what is implied by the statistic that the teenage birth rate is declining by some percentage from the year before? These types of statistics require a more sophisticated interpretation. The image that these numbers portray can rarely be accepted at face value. More often than not, the real truth lies underneath this neat veneer of statistical precision. Though the numbers themselves are accurate, the truth can be very different from what seems obvious from the statistical headline.

To illustrate, let's briefly examine the statistic about inflation. What does it really mean that inflation has fallen to 2.0%? To know this first requires an understanding about what inflation really is, which very few people actually possess. Alarming, very few financial professionals possess this knowledge either. Most accept the convenient and sanitized statistic of the Consumer Price Index (CPI) that is issued by the US Bureau of Economic Analysis (BEA) at its face value. The same applies to similar measures reported by other national statistics agencies around the world. As it happens, real inflation is actually something very different. The CPI has grossly misrepresented real inflation trends this past decade. Yet, the CPI statistic is followed slavishly; it is accepted as truth. As a result, people may be being misled.

What about the statistic indicating that the teenage birth rate is declining? Yes, indeed, the teenage birth rate is

declining. That appears to be a good development. But, again, what does this statistic really signify? Why is it declining? To be able to validly accept this statistic as either good or bad, we need to get in behind the number to discover its causality — its cause and effect. Are teenage births declining because of a decline in sexual activity, more effective birth control or both? Or, are births declining because abortions have increased? These are the relevant questions that require resolution in order to interpret the real meaning of the top-line statistic. As the case may be, the main contributing cause for the decline in teenage births in recent years is a rise in abortions. What seemed like such positive news actually disguises a disquieting trend. As such, we see that the real causes and effects can be overlooked — in fact, hidden — by statistics.

What George Orwell predicted would happen to words has also happened to numbers. In 1946, in an article called *Politics and the English Language*, he decried the deliberate misuse of words, writing that people craft their words “*to make lies sound truthful and murder respectable and to give an appearance of solidity to pure wind.*”

Numeracy itself is not the danger. The danger is in shallowly accepting numbers as the image of truth with no further critical analysis. That is the vulnerability of our age — allowing statistical numbers to reign as reality and truth. It is very easy to allow this to happen. We live in a society bombarded by data and we virtually drown in a flood of numbers and information overload. People lead harried lives; there is too little time for critical analysis and too many statistics to process. It is easier to accept the “sound bites” of the statistics just as they appear. What they seem to mean becomes perception.

Statistics Shape False Perceptions even in Professional Circles

Surely only Mr. and Mrs. Couch Potato are vulnerable to these mistaken perceptions. If that was simply the case, statistical abuse would not be so much of a problem. The reality is that it also applies to professional people — the very same people who are more inclined to work with and depend upon numbers and statistics. I can certainly speak for the world’s financial and money industries. In my time as a senior financial executive, I discovered that very few people critically examined the true meanings of numbers and statistics. Little critical analysis takes place on Wall Street, not even by its financial analysts and economists. Very few economists actually understand the theory behind how statistics are calculated and derived in the first place. Even fewer understand the causes and effects that drive these statistics and the economic theories behind them. This is not an unfounded judgment. Sadly, the allegation is true. These people simply do not have the time to do real research or to diligently examine the real facts behind the numbers. A few of them do ... but far too few to make any difference. It is much easier to accept the number at face value. Knowledge of the statistic passes for understanding.

What has happened then is that perception has become reality. The statistical number portrays the image that is perceived; therefore, this number has power because it can form and change popular perceptions. Reality and truth

become inconsequential. Even worse, the truth becomes a liability if it is different from perception. Were we to take the time to examine a statistic and discover that its true meaning is very different than perception, it would not be very helpful. Why? Because almost everyone else will have accepted its face-value appearance for fact.

Let’s assume that the just-released economic statistic shows that the inflation level has declined. The majority of portfolio managers and investors will be sure to greet it as a positive development, perhaps quickly jumping into the market with new buy orders. The stock and bond markets lurch upward. The facts did not matter; perception did. Those that acted on the real facts lost out.

Deliberate Manipulation of Numbers

Perception often passes for reality. Benjamin Disraeli made this famous quip: “*There are lies, damn lies, and statistics.*” The comment strikes to the heart of a potentially serious issue. If perceptions are allowed to rule with careless reference to truth and reality, then statistics become very powerful. Now, they can hide more than they reveal. And, if that is the case, then why wouldn’t they be deliberately manipulated in order to create a certain desired perception? It is an important step towards the endtime role of numbers.

Are statistics deliberately manipulated? At times, they very definitely are. This may sound like the stuff of conspiracies but it is not really. In my view, it is just human nature at work. Consider these anecdotes of statistical tampering:

- As of November 1991, the US Department of Commerce decided to switch its reporting on economic growth to the measure of Gross Domestic Product (GDP) from Gross National Product (GNP). There is a significant difference between the two that might not be apparent to most people. Roughly explained, the former does not include earnings from foreign sources, while the latter does. Since America is running large deficits with the rest of the world, GDP will appear bigger than GNP. This statistical sleight of hand can boost reported growth by over 1% in some quarters. There have been subsequent numerous other changes to the statistical methods of tracking GDP. One recommended in late 1996 held an equally large impact. It was proposed that the method of estimating inflation should be changed. The effect? Not surprisingly, a twenty year record of inflation was lowered by 1.1% per annum, and the growth of the economy was boosted significantly ... all at the stroke of a pen.
- In Britain, few economic statistics have been more mistrusted than the government’s measure of unemployment. Between 1979 and 1995, some 30 adjustments have been made to the way that this statistic is calculated. Apparently, in violation of the law of averages, 29 of these caused “unemployment” to fall.

I could recount many more examples. Is it strange that the definition of these statistics tends to only change in one direction — any which way that leads towards a more favorable perception? And invariably, what is favorable is any

... continued on page 8

Signs of the Times

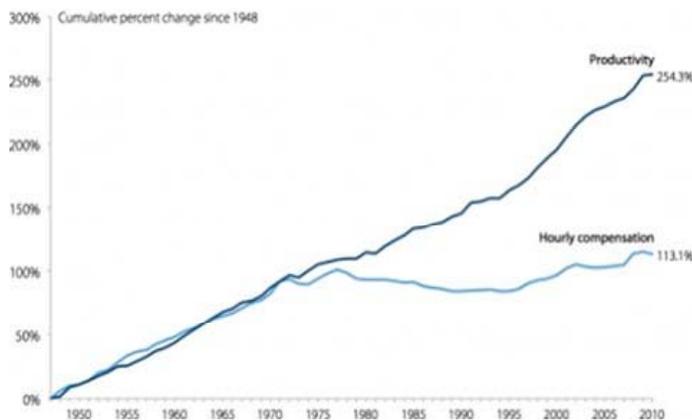


Interesting Trends That Rhyme with Bible Prophecy

We present a few of the intriguing graphs that we have encountered recently. Why are they interesting? They align with certain last day trends and conditions prophesied in the Bible. (A specific prophecy is quoted from the Bible in each case.) However, we would not claim that the information we present here represents the literal fulfillment of any of these specific prophecies. Why? There are several reasons. Firstly, the Bible may have in view a different time. Or, the trends and conditions may apply to either the whole world or different countries than prophesied. Anecdotal statistics are not sufficient documentation in any way. That said, if nothing else, each of the trends we observe does bring to mind a specific prophecy which indeed does “rhyme” with the trend.

Wages of Workers

Growth of real hourly compensation for production/nonsupervisory workers and productivity, 1948–2011



In recent decades corporate profits and the riches of the wealthy have been growing rapidly, while the wages of the workers have been shrinking. Wages are not even keeping up with productivity gains.

Bible Verse: “Look! The wages you failed to pay the workers who mowed your fields are crying out against you. The cries of the harvesters have reached the ears of the Lord Almighty” (James 5:4).

Don't Touch the Wine

In recent years, fine wines have become a lucrative investment. A number of studies have shown that certain categories of wine (for example, an index of 100 first growths) have outperformed investment markets. (The graph shown compares the performance of this wine category vs. the Swiss equity market.) Investors are desperate to find alternative investments that can help them to preserve their wealth during the current time of debt deleveraging and asset deflation. Partly for this reason, food costs have again been

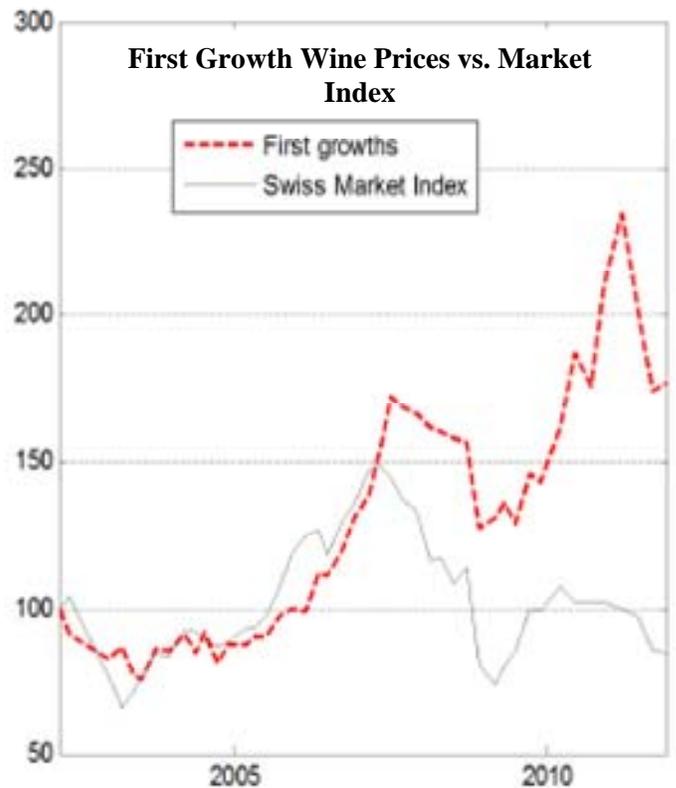
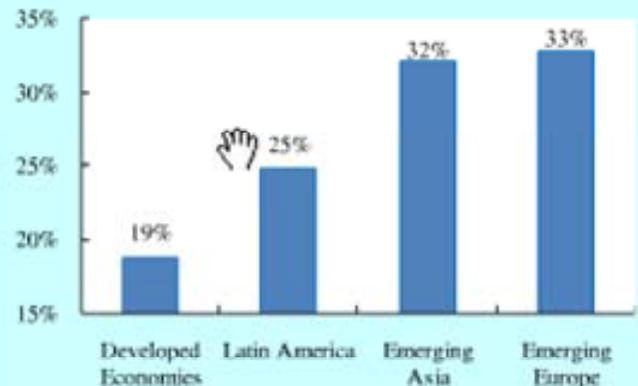


Chart 3: Share of Food in Total Consumer Expenditure



Notes: The figure shows the weighted average of Engel coefficient (from CPI statistics) in each country with its corresponding GDP (PPP-basis) used as a weight. Food here includes “food away home” and excludes “alcohol”. Sources: Statistical Bureau, Eurostat, IMF

rising. Agricultural commodities are considered to be ideal investments because of food supply/demand projections and the fact that “everybody needs to eat.” Rising food prices are a heavy burden for the lower-income populations of the world (this representing the majority of people on earth) as their food costs represent 30% to 40% or more of their spending.

Bible Verse: “Then I heard what sounded like a voice among the four living creatures, saying, “Two pounds of wheat for a day's wages, and six pounds of barley for a day's wages, and do not damage the oil and the wine!” (Revelation 65:6).

Facts & Stats ... Ends & Trends



TOPICAL QUOTES

Consider the growth in the number of people whom sociologists call “nones,” those who report no religious affiliation. Historically, this category made up a constant 5-7% of the American population, even during the 1960s, when religious attendance dropped. In the early 1990s, however, just as the God gap widened in politics, the percentage of nones began to shoot up. By the mid-1990s, nones made up 12% of the population. By 2011, they were 19%. In demographic terms, this shift was huge. To put the figures in context, in the two decades between the early 1970s and the early 1990s, the heyday of evangelicalism, the fraction of the population that was evangelical grew by only about five percentage points. The percentage of nones grew twice as much in the last two decades and is still climbing. Moreover, the rise is heavily concentrated among people under 30, the so-called millennial generation. — *Foreign Affairs, March/April 2012*

Marriage is a surprisingly good predictor of management style, reckon Nikolai Roussanov and Pavel Savor of Wharton Business School. The average unmarried boss invests 69% more than his married counterpart, they find. But his swashbuckling can be costly: the returns he generates are more volatile. This “single” effect is strongest among young bosses, unsurprisingly. — *The Economist, April 21, 2012*

That China is rapidly modernizing its armed forces is not in doubt, though there is disagreement about what the true spending figure is. China’s defense budget has almost certainly experienced double digit growth for two decades. According to SIPRI, a research institute, annual defense spending rose from over \$30 billion in 2000 to almost \$120 billion in 2010. SIPRI usually adds about 50% to the official figure that China gives for its defense spending, because even basic military items such as research and development are kept off budget. — *The Economist, April 11, 2012*

Companies have a legal personality. But they are easier to make than people. Up to 2m are set up in America each year,

according to Senate investigators. Britain creates some 300,000; around 250,000 are set up in offshore locations, reckons Jason Sharman of Griffith University in Australia, who has studied the business. The British Virgin Islands (BVI) alone registered 59,000 new firms in 2010. It had 457,000 active companies as of last September — more than 16 companies for every one of its 28,000 people. — *The Economist, April 7, 2012*

The fastest growing population groups in Israel are those least plugged in to the high-tech economy: Israeli Arabs, who lag educationally, and *haredim* (ultra-orthodox Jews), whom the government pays to study the Torah. Two-thirds of working-age *haredim* men don’t work. They do procreate, however. In 1960 only 15% of Israeli schoolkids attended Arab or *haredi* schools. Now it’s about 50%, and if current trends continue it will be 78% by 2040, according to the Taub Centre, an Israeli think tank. — *The Economist, January 21, 2012*

Israelis innovate because they have to. The land is arid, so they excel at water and agricultural technology. They have little oil, so they furrow their brows to find alternatives. They are surrounded by enemies, so their military technology is superb and creates lucrative spin-offs, especially in communications. The relationships forged during military service foster frenetic networking in civilian life. A flood of immigrants in the 1990s gave the national brainpower a mighty boost. The results are the envy of almost everyone outside Silicon Valley. — *The Economist, January 21, 2012*

To be sure, the young are always less religiously observant than their elders; people tend to become more religious when they get married, have children, and put down roots in a community (demographers call this the life-cycle effect). Yet 20-somethings in 2012 are much more likely to reject all religious affiliation than their parents and grandparents were when they were young — 33% today, compared with 12% in the 1970s. — *Foreign Affairs, March/April 2012*

EVR

“Financial bubbles seem to appear in historical periods that are characterised by a zeitgeist giving priority to monetary goals above goals in the real economy; in periods when the tail (the monetary economy) is allowed to wag the dog (the real economy).” — Erik S. Reinert and Arno Daastol

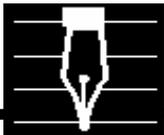
“Economics is a faith-based pursuit forever in search of a new deity . . . Each of the gods has been worshipped with the fanatical fervour of the convert. What is curious for those sitting outside the sacred circles is that the apostles show not the slightest hint of self-doubt. The Treasury has become to economics what cults such as Opus Dei are to Catholicism.” — Philip Stephens

“What most countries on this planet need is a benevolent technocratic philosopher king — and not yet another partisan meglomaniac.” — Barry Ritholz

“There have been three great inventions since the beginning of time: fire, the wheel, and central banking” — Will Rogers

“A people that values its privileges above its principles soon loses both.” — Dwight D. Eisenhower

“Words are like money; there is nothing so useless, unless when in actual use.” — Samuel Butler



Letters to the Editor

READER: Mr. Hahn: Thankfully there is someone like you who's providing clear, honest assessments of today's situations. — **J.L.L.**

READER: I really like your articles. Thank you for the time and effort you put into these reviews. — **D.H.**

READER: Bless you for your newsletter. It is always a joy to receive and read as well as your publications in the Midnight Call. Thank you for taking the time and being committed to sharing your knowledge and understanding of the financial markets related to biblical data. — **T.S.**

READER: Great read this month! We enjoyed it as usual...especially the last article on the back page about "Economist Shamans," which I agree with totally! Since both [of us] studied economics at [university] we are saddened about how far the profession has fallen. Where is Milton Friedman when we need him? None of the conservative economists seem to have the courage to speak out against the stupidity that passes for economics today! Also, where are all the liberal "do gooders" complaining about the plight of senior citizens who have seen their savings evaporate over the last 4 years and their standard of living deteriorate. They need a true national spokesman and perhaps their own "tea party" movement to explain what the Democratic Party is purposely doing to them.

READER: I believe that the next "Big Crisis" will be the fourth and final Arab vs. Israeli war (Amos 1-2, Isaiah 17:1 and Ezekiel 29:12). The future antichrist will settle this war and (1.) allow Israel to occupy Jordan, Lebanon and Syria and (2.) allow the Jews to build their third temple or erect a tabernacle 150 feet north of the Dome of the Rock (Ezekiel 42:20). Israel will become one of the greatest and most prosperous nations on earth before World War Three several years later (Ezekiel 38:11-13). — **B.D.**

EVR: I agree that Israel will become the greatest nation on earth. The Bible prophecies that it will one day be the head of nations. "[...] you have preserved me as the head of nations. People I did not know now serve me" (2 Samuel 22:44, Psalm 18:43). However, as to the sequence of events, how many wars between now and then, and the specific actions and strategies, this is not clear.

READER: Re: Germany: "Gomer, and all his bands; the house of Togamah of the north quarters, and all his bands: and many people with thee" (Ezekiel 38:6). Could this be Germany as they are on the verge of financially backing the new system that is formulating in Europe? Could her bands be the nations

of the EU assisting because of their ties as debt to Germany? — **C.H.**

EVR: There are quite a few speculative theories on the endtime role of Germany. As is the case with the United States, we do not see the nation of Germany specifically mentioned in Bible prophecy. Please see a recent article on this subject posted to our website at this link: [Is Germany Mentioned in Bible Prophecy?](#)

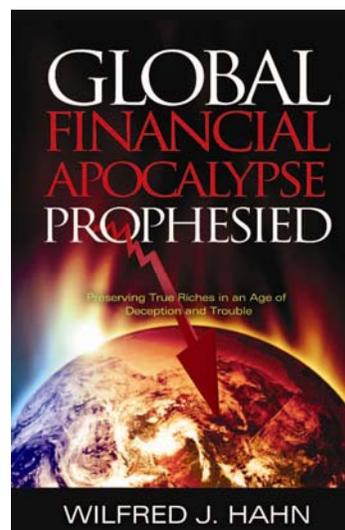
READER: Mr. Hahn, thank you for the June newsletter. It's funny because after the last letter I received from EVR, I tried everything to unsubscribe (not because of you or the content but because of my anger with GOD) but the computer wouldn't cooperate with me. Turns out that all of your letters are interesting and informative, and the June letter seemed to articulate very well what the world is in for. I've been trying to tell people for years (family, friends, strangers) but people just don't want to buy into it. That's unbelievable to me. I guess that's why so few people make it. Anyway, thank GOD that the computer failed and I was able to receive the June letter (I will be forwarding it to a lot of people) and I thank you for the time that you put into these letters. Your brother in Jesus. — **P.D.**

READER: Mr. Hahn, I subscribe to Midnight Call, and come to the conferences when I can. Your portions of the conferences are some of the most interesting to me. I saw a story about China's Economy on NewsMax, and it's disturbing. I'd like your opinion on its accuracy (even if you address it in a future conference or article). — **S. W. M.**

EVR: I have reviewed the report for which you have provided the link. I would say that many if not most of the facts presented are accurate. However, I would not be able to substantiate the massive high-level conspiracies and motivations that are being claimed. Very definitely, countries, individuals and corporations are acting in their own interests and are either seeking profit or pre-eminent political economy. A presentation we produced in 2010 provides more detail on our interpretations of what is happening in China and its Asian neighbors and can be found at this link: [Far East Asia: Geo-Politics or Geo-Prophecy?](#) - Oct. 2010.

EVR

CRISES BECOMING HOTTER: MORE RELEVANT THAN EVER!



Preserving True Riches in an Age of Deception and Trouble.

384 pgs., \$14.95 plus shipping (Defender)

"I am enjoying your book. I want to thank you for your efforts in researching and writing this well-needed book at this time."—WK

To order your copy, call the order desk at Midnight Call Ministries:

1.800.845.2420

Wilfred's Itinerary: *The Mulberry Ministry*

- **October 20-22, 2012: Midnight Call Ministries, 2012 Atlantic Prophecy Congress—Myrtle Beach, SC.** Please contact Midnight Call at 1.800.845.2420 or visit www.midnightcall.com.

A World Ruined and Ruled by the Tyrant of Price ... cont'd from page 4

revision that seems to be positive for prosperity, gain and wealth. Is there a diabolical conspiracy behind the above-mentioned statistical shifts? Yes, in a way there is, but not necessarily in the sense that there is a great, organized scheme underway on the part of the government to delude the public. It illustrates just one of the subtle orchestrations that are part of the great diabolical Endtime Money Snare.

But numeracy and numbers can lead to even worse abuses. Not only can they make us vulnerable to deceit and manipulation, they set up an all-important interface that allows the love of money to wreak its corruption upon the endtime world. We already discovered how common this new language of money has become. Statistics expressed in terms of money somehow seem to be more illuminating to our imaginations. Once we know the cost or price associated with a piece of information, we are better able to frame its reference. It strikes a common chord. A million bushels of wheat is more difficult to conceptualize than its price on the open market — probably around \$8.8 million. The more that things, trends and values can be expressed in terms of money, the easier will be the transformation into a world which is given over to the worship of wealth and material. That, too, is another subtle step in the Endtime Money Snare.

But worst of all is that numbers and their application can even replace the need for God. Believe it or not, many have made numbers their god. How has this happened? It is a development that has been fostered by the new false god of Science and Technology.

Numbers Rail Against God

(The late) Peter L. Bernstein wrote an excellent and informative book called *Against the Gods*. Its title is meant to be a wordplay on the phrase “against the odds.” Essentially, the book’s unstated thesis is this: With modern mankind’s mastery of mathematics and the understanding of probabilities, gods are no longer necessary. He writes the following in his introduction to the book:

“The revolutionary idea that defines the boundary between modern times and the past is the mastery of risk: the notion that the future is more than whim of the gods and that men and women are not passive before nature. Until human beings discovered a way across the boundary, the future was a mirror of the past or the murky domain of oracles and soothsayers who held a monopoly over knowledge of anticipated events.”

What Mr. Bernstein is actually saying is that mathematics — the use of numbers, in other words — enables us to look into the future and to cross the boundaries of the unknown. What is this unknown? For mathematicians and financiers, the unknown is called risk. Not knowing what will happen in the future is “*risk*” ... especially to those who have much money to lose.

In a nutshell, the concept underlying this definition of risk is very simple. You can better know the future by looking into the past. While that thought carries some truth, it assumes that tomorrow will always be like today. And, if tomorrow can be counted upon to be like today, then a god is no longer necessary. Though it is a simple notion, it has taken humanity

many thousands of years to develop the mathematics and computation skills needed to capture the past with numbers and then to launch them into the future across the boundary of “*risk*.” It makes for a fascinating story. Today, there are many sophisticated applications of this idea — chaos and game theory, optimization, probability theory, portfolio theory, mortality tables ... and on and on. But, taken too far, these applications can lead to the unfortunate delusion that a sovereign god no longer rules the affairs of creation.

The Bible ridicules and condemns this “rear-view mirror” concept of risk. “*Do not boast about tomorrow, for you do not know what a day may bring forth*”, says King Solomon in Proverbs 27:1. Isaiah scorns the idea, too, caricaturing the culture of his day saying, “[...] *let me get wine! Let us drink our fill of beer! And tomorrow will be like today, or even far better*” (Isaiah 56:12). James thinks it is outright evil.

“*Now listen, you who say, ‘Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money.’ Why, you do not even know what will happen tomorrow. What is your life? You are a mist that appears for a little while and then vanishes. Instead, you ought to say, ‘If it is the Lord’s will, we will live and do this or that.’ As it is, you boast and brag. All such boasting is evil.*” (James 4: 13:16)

Would Solomon, Isaiah and James think differently if they had been schooled in the business schools — the statistics mills — of our day? Would the great tool of mathematics cause them to dispose of their belief in God?

Not likely. God and mathematics can co-exist. God is the author of order, after all. Mathematics is useful, but can only be a partial and pale imitation of God’s order and will. He indeed remains sovereign.

The Root of Statistical Fallacies

It is not my intent to explain in detail the modern-day application of math to the field of economics and finance. That task would require countless volumes ... boring ones at that. My objective is simply to show how numbers — perhaps even prefigured by the 666 of Revelation — and the love of money interplay in their role in the great Endtime Money Snare.

Wherein lies the falsehood in the popular belief that the veil of the future has been lifted through the sophisticated use of numbers? The delusion is that “*risk*” — or the unknown — has been lessened or done away with. The fact is that the unknown exists as it always has. All that has happened is that the consequences of this risk have been expressed in the form of money and transferred to someone else.

Let’s examine just one example that illustrates the fallacy in this thinking that God can be replaced by numbers — the insurance industry. Does life insurance lessen the risk of anyone dying? Of course not. All that life insurance accomplishes is to transfer the risk of the unknown — in this case something that is fairly improbable over the near term — to the insurance company. They agree to accept this risk in return for your payment of monthly insurance premiums. Are they foolish to take this risk? No. They have used mathematics to figure out the probability of your untimely death. To do so, they look into the past and study huge amounts of data about previous death patterns — by age,

occupation, sex, smoking habits, etc. They produce what are called mortality tables and then price your premiums accordingly, including a profit margin for their service. You still do not know when you will die. The insurance company, however, has agreed to spread the cost of your early death across all of its customers. Economists call this the “socialization” of risk. It is a very useful service; however, it has not changed the unknown. God is still in control.

These concepts of calculating future risks by modeling the past through numbers and sophisticated math, and transferring it to other people through financial products are what is behind virtually all financial innovation today. On the surface, it seems very confusing. The number of these types of services has exploded. As such, the role and use of financial markets have changed substantially.

By now it should be very clear. Numbers, expressed in monetary values, are a necessary device in the success of the Endtime Money Snare.

Some thoughts for contemplation. We have seen that we live in an age with more statistics and knowledge than ever before, but with less truth. People seem to know the price of everything, but the value of little. Instead, wisdom — past, present and future — today tends to be found in the belly of some financial model or spreadsheet.

Just what is the real value of truth and wisdom? This is what Job had to say:

"But where can wisdom be found? Where does understanding dwell? Man does not comprehend its worth; it cannot be found in the land of the living. The deep says, 'It is not in me'; the sea says, 'It is not with me. It cannot be bought with the finest gold, nor can its price be weighed in silver.'" (Job 28:12)

Job is effectively saying that wisdom is priceless ... that it is unquantifiable. It cannot be captured in a number. Therefore, we should not look for it in numbers and prices.

We live in a dangerous world where prices abound without values, and costs are only measured in prices. In such a world the price becomes the value and values are separated from real costs. What that means is that the common denominator of what is right becomes the price.

A world ruled by price? That is what happens in a world that is quickly globalizing and financializing. Price becomes the world's judiciary and it alone determines what is right and good. That is a concept that ideally suits the juggernaut of globalization. Globalization reduced to its very essence is nothing more than this: A process leading to a world system in which all human actions are governed through the incentives of wealth and prosperity. And if wealth and prosperity are the worthy objectives, then whatever increases wealth will tend to be approved and considered good and right.

Of course, it is a satanic concept that prices and wealth can be used as a measure of truth. This thinking is most obvious in the world's money industries — investment management and brokerage or any business dependent upon trends in market prices. To financial professionals, price is effectively truth. As one financial service ad says, *"The*

moment of truth is when the best price is yours."

Allow me to use the illustration of a portfolio manager to explain how price has become truth. If a portfolio manager buys an investment for whatever reason and the stock price then goes down in price, he has been judged to be wrong. The inverse applies as well. If a portfolio strategist reduces his investment in the stock market on the belief that stock prices are too high, it will be left to the future direction of the stock market to determine whether he was correct. In the competitive wrangle to squeeze wealth out of financial markets, the market is never wrong. Only investors can be wrong. Though a stock market may be in the midst of a huge mania that will someday end up in a sorry bust does not matter. The price is the truth, and truth is in an upward trend.

No One is Immune from the Deceptions of Numbers

This subtle shift of thinking about truth has not just affected financial professionals. It extends to our whole society, including Christians.

I can think of a number of prominent Christian investment managers who assume this posture. Their opinions about what drives markets and trends, no matter how ill-founded and baseless, are arrogantly assumed to be right simply because “the market” in retrospect has judged them as correct. That is perverse thinking. Markets represent the judgment and vanities of the world. Markets, prices, money, gold ... whatever, do not contain truth. They are all denominated in a currency of man's making.

We must not let prices — the new spectator sport of our world — determine our values. Our values — Biblical standards and eternal objectives — must determine our conduct. That imperative, of course, demands that we continue to be good stewards, work diligently and manage our resources faithfully. However, that is not the same as staking our hope and faith in the values of earthly wealth. Nor does it mean that the correctness of our living can be judged by how much wealth we accumulate, how much we earn, or how successfully our portfolios outperform the world's financial markets. Yet, this monetary measuring rod — like the idolatrous Asherah poles worshipped during the times of the Old Testament prophets — is standing on many of the high places in the church today.

For us Christians caught during the times of the great Endtime Money Snare, living apart from the rule of numbers and markets will carry a cost. The measuring stick of price should not be allowed to be arbiter of truth and what is right in our lives. And undoubtedly for most of us, that will mean we may not accumulate as much wealth here on earth as the secular world thinks that we should.

Actually, we have great reason for joy. In one sense, living to God's standard during the present upswing of the great Endtime Money Snare is hardly costly at all. We have the greatest money manager of all at our service. He promised that he would reward us hundredfold for every one of our sacrifices, with payment in an eternal currency that will never rust or corrode.

With an eternal guarantee like that, there is absolutely no need to invest by the numbers nor succumb to the tyrant of “price.”

EVR



Personal Perspective

Susceptibility to the Bias of Modern-day Forecasters

It is a tough business forecasting financial markets. This is the case for a number of reasons. Given the fact that few people ever make an accurate forecast, it is amazing that it remains lucrative. If predictions are so unreliable, why do people still seek out such opinions? Yet, some aspects of forecasting are very predictable. The biggest rewards go to those who continually predict gains ... in other words, permanent prosperity. If correct, they are treated as heroes and cult icons. And, if wrong, they are likely to be forgiven quickly. After all, they were only predicting what everyone wanted to hear.

The business of forecasting has been the same since time immemorial. This newsletter has often reviewed the statements of the Old Testament prophets in this regard. It is clear that not much has changed from times long ago. Prophets and forecasters seem to come in two stripes — those who only proclaim messages that people want to hear and those who “tell it like it is.” The former group usually ekes out a comfortable, if not prosperous, existence. Not the latter group. They are lucky to be able to hang on to their careers, even if they have been proven correct.

The prophet Micah commented on these conditions, scolding those that were “*distorting everything that was right [saying] priests teach for a price, and [...] prophets tell fortunes for money*” (Micah 3:11). Yet, all through the books of the prophets, we discover an uncanny fact: In time, the former group — the dream weavers of “peace and prosperity forever” messages — were always wrong ... disastrously wrong.

Imagine if one of the Old Testament prophets were competing with contemporary forecasters today. Who would be listening to them? Having witnessed the pressures of the secular forecasting game firsthand, this writer is convinced that Jeremiah or any other Old Testament prophet would not get the time of day in our time. The group of them would have been rejected long ago.

They certainly would not be employable by any investment brokerage nor many money management firms, nor would they be invited to participate in Barron’s Annual Round Table (*a high-profile forum for Wall Street notables*). After all, they would be doing everything wrong — forecasting much too long-term; boringly consistent in their message (*no entertainment value*), and worst of all, probably actually be exhorting their clients to pursue the right path. Who could stand getting preached at while markets may be booming and showering everyone else with effortless wealth for a little while longer? Such forecasters, no matter that their warnings will prove correct, will be

fired, ridiculed or both. Rather, it would be advised to hang on to every spoken word of the “gurus” and join the party.

Any investment manager, economist or financial adviser will soon recognize that it is impossible to consistently anticipate shorter-term trends. Over a period of time, a measure of humility would set in. Even if one had a better than average understanding of the general underpinnings of financial trends around the globe — whether economic, monetary, behavioral or otherwise — it would still not be sufficient to achieve flawless forecast accuracy. At major turning points, forecasters are at their worst. For example, who would have predicted that U.S. interest rates would drop to negative levels; that the Nikkei stock index would fall to less than 20% of former highs?

All such predictions, good and bad, are focused on divining directions of financial markets over shorter periods of time. For these types of predictions, any forecasting record (*whether from a Christian perspective or not*) would be just as the mathematical laws of chance would predict.

Be that as it may, it says nothing about accurately knowing the times. One can “*know the times*” and the likely eventual outcome, yet not know the specifics ... in other words, the short-term developments and timing. In recent years, that has made the money management or economics profession very difficult. In addition, there can be a conflict between diagnosing trends that are unsustainable (and perhaps immoral) versus predicting and profiting from these trends at the same time. This presents a moral dilemma.

To illustrate this last point, consider this question: If you could predict a trend that is not virtuous but it may be determined to be legal by society, perhaps something involving excessive indebtedness or immorality (i.e. rising consumption of wickedness), should you profit from it? To take a simple example, would it be right to set up a hotdog stand near a future site of a casino based on the correct prediction that society’s fixation with gambling would become worse? As such, this road leading to the casino would be overrun with customers and hotdog sales would likely soar. What could be wrong? After all, one would not be gambling by selling wieners.

Compassion dictates that we instead have a burden to warn of the dangers of gambling, such as the burden to society and the addictions. Though the record of short-term forecasters will remain dubious, in no way does this mean that wise counsel with respect to economic conduct, stewardship and any other number of noble causes is invalidated. These issues have nothing to do with forecasting. The right ways — the “*ancient ways*” as they were called by the prophets — have never changed. They still apply today though our age pays little heed to them. And to do that, no one needs to seek to know the short-term direction of economies and financial markets.

EVR



ETERNAL VALUE REVIEW
WWW.ETERNALVALUE.COM