



ETERNAL VALUE REVIEW

MONEY MONITOR & GLOBAL TRENDS REPORT

Issue 4 Volume 17

"For thinking Christians seeking to understand the times."

AUGUST 2014

FEATURE REPORT

Woolly Mammon Series – Part I: Earth Repossessed

The times that our world is experiencing today are unprecedented and unparalleled in human history. Collective humanity believes itself to be highly advanced, its humanistic views the peak of enlightenment. The coming endpoints ... a series of them ... couldn't contrast more sharply with the beginnings.

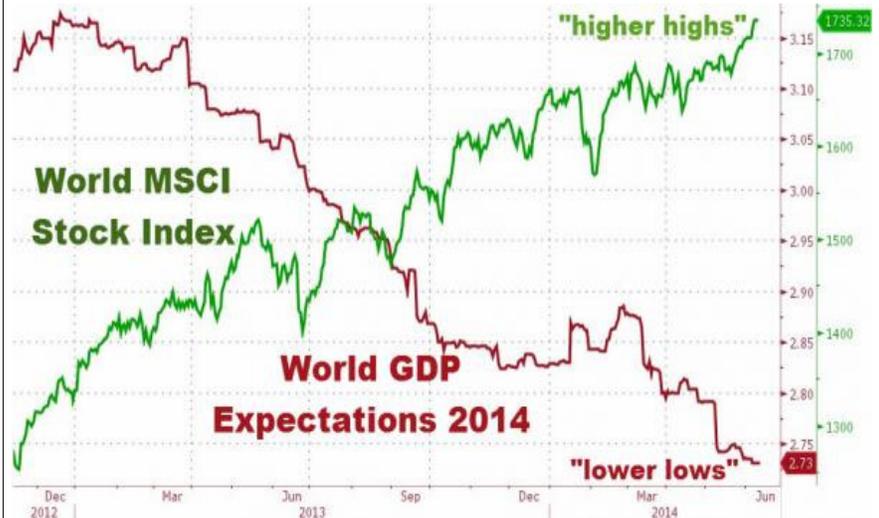
In that light, we begin a short 3-part series. The intent is simply to update you as to the state of a number of "late, great, planet earth" conditions (to borrow a phrase from Hal Lindsey). Just how far has mankind traveled down the road of godlessness and complicity with the Evil One?

What will be the extent of the pathos of Christ, when He returns to earth and witnesses its faithless condition? Christ knew that he would find mankind wholly succumbed to his three primordial weaknesses. These are "[...] the lust of the flesh, the lust of the eyes, and the pride of life" (1 John 2:16). It is these very same worldly temptations that Satan targeted when he tested Christ during His 40-day fast in the wilderness. While Jesus withstood Satan's entreaties for our sake, mankind (seen collectively or individually) would sell Him out on these same proposals.

Christ questioned the disciples: "When I return, will I find any faith in the world?" While he said this in the form of a question, it should really be read as an endtime prophecy. There will be very little "faith" found upon earth when He returns; that could be very, very soon. Then,

... continued on page 3

Statistical Pretense: Humanistic Idolatries Triumph



Source: World Bank Estimates, www.Zerohedge.com. Reported June 11, 2014

"But God made the earth by his power; he founded the world by his wisdom and stretched out the heavens by his understanding."

— Jeremiah 10:12

In This Issue

Feature Report: Woolly Mammon Series—Part I: Earth Repossessed.—pg. 1

World Money Update: *Fools Gallery of Inconvenient Facts* —pg. 1

Signs of the Times: *Financial Signs—Part XI: # 12* —pg. 5

Facts & Stats —pg. 7

Letters to the Editor —pg. 9

Personal Perspective *National Accounting: Mother of Modern Global Idol* —pg. 12

WORLD MONEY UPDATE

Fools Gallery of Inconvenient Facts

Complacency is at extraordinarily high levels.

It is truly remarkable. It flies in the face of facts.

Financial markets seemingly think themselves completely impervious to any potential troubles and disasters.

This must be so; otherwise, why would stock and bond markets around the globe hit new highs?

Very few financial market pundits are concerned about current stock market levels. In fact, given that stock markets have been levitating for nearly 6 years despite instabilities and structural economic problems (the S&P500 stock market index has continued to rise without a correction amounting to 10% or more for the longest period on record of 1000 plus days), analysts are now more brazenly complacent than ever. Emboldened, some

... continued on next page

are sure that stock markets are in a “structural bull market.” Prosperity will continue for a long time according to these seers. But for whom?

Interest rates levels are also collapsing around the world. U.S. bonds have been the most over-valued for the longest period on record. To great surprise, long-term rates have fallen in the U.S. so far this year. To even greater surprise, 10-year interest rates have plummeted to multi-hundred-year lows in the Netherlands, Germany, Spain, Italy and Portugal. Few are able to provide a believable explanation for why this should be so. As it is, Spain, Italy and Portugal have shaky banking systems and continuing problems. If anything, one should expect further financial instabilities.

Yet, epic warnings signs are everywhere ... at least for those with open eyes. To begin, it is remarkable that both bond and stock markets have been attaining new highs. Usually, this would be a contradiction. Interest rates normally fall in response to slowing or recessionary economies or deflation. Not so with stock markets. But never mind. Let’s celebrate, for tomorrow we die.

All the same, analysts and economists are mostly bewildered. All of them (according to one survey) had been sure interest rates would soar this year. How wrong they were. Very few, if any at all, can adequately explain the theoretical underpinnings to what is going on. (Answer: There is no solid underpinning!)

Apparently, financial markets have been completely unlinked from economic and monetary trends.

Economists lament that they are without compass as the business cycle no longer seems to be operative. And, indeed, this is the case.

Credit excesses are again evident. Total world debt levels continue to climb. Financial bubbles are found

almost everywhere.

To top it off, geopolitical developments are at their most precarious since probably the rise of the German Nazi Party, or perhaps 1914 or the Bay of Pigs. The Middle East is ablaze. Strife and insurrection continue in Libya, Iraq, Afghanistan, Gaza, Syria and elsewhere. International bias against Israel is at its most extreme. China is exerting its new-found power and influence, and Japan is again arming itself. And, not least, conflagrations with Russia are heated in the Ukraine. Often wars have been started by a little spark. Who can predict anything with any certainty?

Ah, but we need not worry according to the good report of Michael Cembalest of J.P. Morgan Management. He points out that geopolitical conflicts have rarely had long-term impacts on financial markets. He claims that, before long, financial markets were again climbing to new highs. Besides, he estimates that war-zone countries only represent about 0.7% of global equity market capitalization. That is the equivalent to a mere rounding error. So why worry? Stock and bond markets can still attain new highs so who should be afraid of WW3? The world population share of these war-zone countries, however, is 11.7%. According to Cembalest, the business cycle has been the most important factor driving equity markets since 1950.

Mr. Cembalest obviously works for a company that has a great vested interest in financial bubbles. It is one of the world’s largest investment managers, looking after more than \$1.6 trillion of its clients’ money. We would point out to Mr. Cembalest that the business cycle has been dead already for some time. It is not operative. Crucially, the post-WWII environment upon which he stages his claim doesn’t exist any longer. The time for extrapolations from the recent past is long over.

The world has entered into a new uncharted era of falsehood, deceit and corruption. It exhibits very little of the foundations that would normally be expected to deliver superior investment returns and economic growth. We show a number of graphs on page 3 which we nominate to the fool’s gallery of inconvenient facts. We could show many more.

Suffice it to say that the world seems very unstable and prone to sudden change. A significant re-orientation of the world’s power distribution is foreseen by a number of political analysts. They are saying that the only way to establish global security is for the two powers of China and the U.S.A. to get together. Would that really be the solution? Is it even likely given Russia’s growing alliances with China?

Warns the Bible: There is a way that seems right to a man (Proverbs 12:15), but it ends up folly. This could very well be the case today.

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.

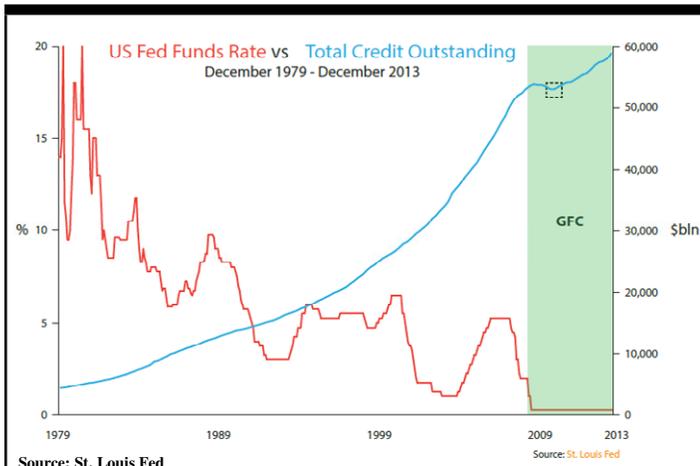
Annual Subscription Rates - *Eternal Value Review* is available free of charge in PDF format to on-line subscribers six times a year. Please sign up for free distribution at www.eternalvalue.com. Back issues are posted on our website.

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

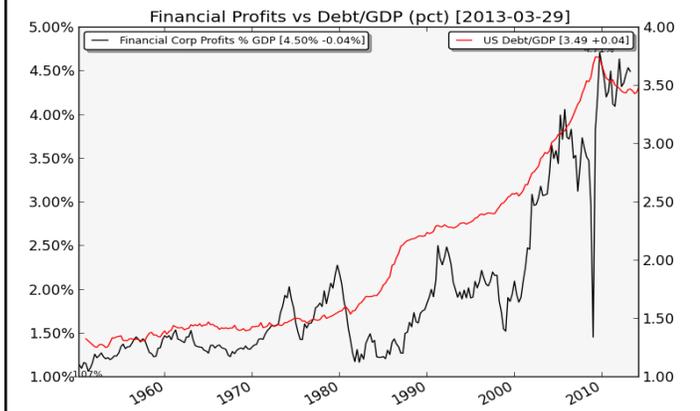
Financial Health Warning - The use of *Eternal Value Review* for the promotion of any other commercial activity or pursuit is expressly prohibited. *The Mulberry Ministry* does not endorse any third-party financial product, service or any promotion of an investment scheme.

Copyright - ©2014. Mulberry Press Inc. One-time reproductions and excerpts are encouraged for the purpose of introduction of the viewpoints of *The Mulberry Ministry* without permission.

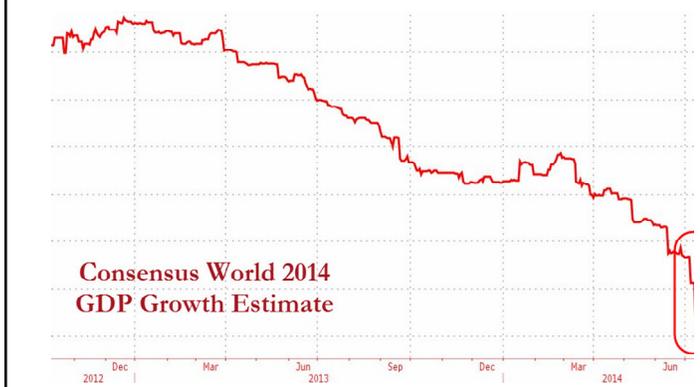
Bible Quotations - All scriptural references are quoted from the *New International Version* unless otherwise stated.



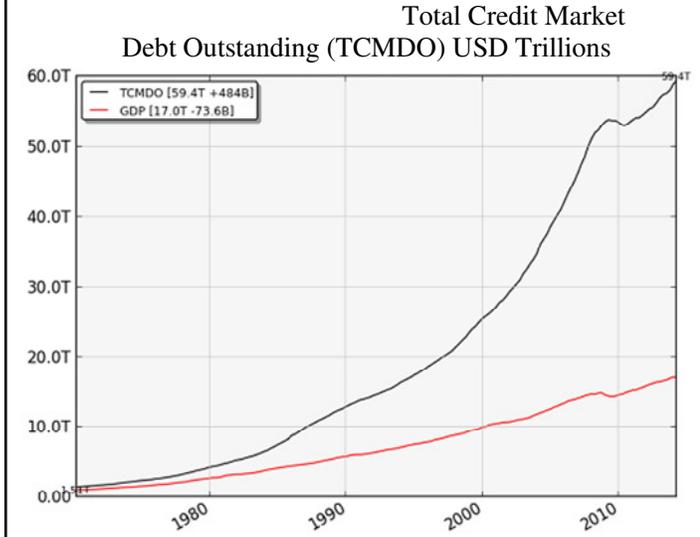
Source: St. Louis Fed



Source: www.mdbriefing.com



Source: www.zerohedge.com



Source: www.mdbriefing.com

Woolly Mammon Series – Part I: Earth Repossessed ... from page 1

mankind and its leadership will be shown to have staked their faith in their lusts like Sodom, “overfed and unconcerned” (Ezekiel 16:49); worshiping manmade idols of wood and stone (greater economic growth, wealth and ownership); and lastly, charting their own destiny and goodness outside of God.

In this “Woolly Mammon” series, we propose to mainly focus on the 2nd and 3rd of the three lusts — that “of the eyes” (“the desire for possession”, ISV) and the “pride of life” (“worldly arrogance”, ISV). We will cover three separate but related topics: 1. Earth Repossessed; 2. Pomp, Circumstance and Splendor; and 3. Ruling Elites and the Great Wealth Transfer.

Ownership of the Creation

Who owns the earth? This is a question that will attract many different answers today. Some will argue that the earth belongs to itself. Human life is therefore no more valuable than any animal life and must be sacrificed to save the future of earth. Geopolitical strategists will argue differently. Their craft of possessing “space and time” is in the hands of nations and its leaders. Then there are the merchants and economists. They will be inclined to see ownership more as a matter of law and title.

Christians believe the Bible will have the answer to this question. However, in consulting Scripture, we encounter some seemingly confusing perspectives.

Firstly, we read this: “To the LORD your God belong the heavens, even the highest heavens, the earth and everything in it” (Deuteronomy 10:14). We learn here that everything is the Lord’s. Also, the Lord says that “[...] the whole earth is mine” (Exodus 19:5) and that “[...] the cattle on a thousand hills” are His (Psalm 50:10 -11).

Yet, the Psalmist also says something on this subject which, at first glance, appears contradictory. He says, “The highest heavens belong to the LORD, but the earth he has given to mankind” (Psalm 115:16). Here it clearly says that “earth He has given to mankind.” How can the earth be the Lord’s (i.e. Deuteronomy 10:14), but also be given to mankind? We are not scholars of the Greek language. However, a brief study of Psalm 50 suggests the view that earth is being assigned to mankind more as a domain and conservatorship for a time.

This aligns with the command found in Genesis. “God blessed them and said to them, ‘Be fruitful and increase in number; fill the earth and subdue it. Rule over the fish in the sea and the birds in the sky and over every living creature that moves on the ground’” (Genesis 1:28). The world is not possessed by mankind, but rather the earth is put under mankind’s dominion.

The Earth Up for Grabs

At the very beginning, after God created the earth and the heavens and He saw that it was good, there were only two people on the entire earth. There were not yet any landowner frictions. They were fully provided for in the Garden of Eden and were not subjected to hard labor.

But something happened down through the past millennia after the Fall. The concept of human ownership intervened, and with that the manifestations of the lust of the eyes. Over time, a globalized, commercially-dominated world would emerge where the concepts of possession, ownership, wealth and consumption were to become the very essence of the meaning of life and existence.

Ownership Then and Now

There are two key aspects of ownership as it exists today that are instructive to review. First, most all the valuable parts of creation are now under the legal ownership of man. Second, ownership of all these domains is held by relatively few individuals and entities – if not by government or kings and queens, then by individuals ... some of these very rich. Today, mankind has created conventions that convey ownership rights to literally everything that God created.

International organizations exist to help mediate on these issues in almost every domain. It is amazing what can be owned today. We next provide a short anecdotal illustration of the state of ownership of the world today.

Human Labor. Most people think of world financial markets and underlying economic systems as representing wealth. Yes and no. Firstly, we would say financial markets play a greater role in the distribution of wealth, rather than its creation. They are not its source. All wealth comes from God, either in the form of His creation or His life-giving capacity. In the human realm, that translates into the fruits of labor.

All the wealth of the world today (as we humans would recognize it) cannot exist apart from humans and their labor. It is a simple fact that is too rarely recognized. Human labor — past, present, and future — comprises the bulk of what is wealth today. Its ownership may be highly skewed, as it surely is in our time (please see Part II of this series for further documentation). The use of debt allows a very small group of people to own a disproportionately large output of human labor.

How much is world wealth? There are many estimates, all of them flawed. Credit Suisse in its last World Wealth Report 2012 estimated total world wealth at \$222.7 trillion. Other surveys predict this value will grow 60% or more by 2020.

Resources and Mineral Rights. It is no accident that resource-rich nations are often run by despots and client states. Minerals and resources are valuable, provided that they can be mined or excavated. Many people will have discovered that though they own a piece of land, they may in fact not own the minerals that lie underneath.

Prospectors may be given exploration rights and development rights, sometimes to the great inconvenience of the owner. The Bible says, “Him [...] who created [...] the earth and all that is in it” (Revelation 10:6). The ownership of these deposits, whether gold or copper, has built many massive fortunes.

Land and Real Estate — Kings and Churches. Large swathes of the earth’s land masses are owned by someone. According to legal definition, the largest five individual landowners on earth are Queen Elizabeth II (6,600 million acres); King Abdullah of Saudi Arabia (553 million acres); King Bhumibol of Thailand (126 million acres); King Mohammed IV of Morocco (113 million acres); and Sultan Quaboos of Oman (76 million acres). An incredible 21 percent of this land is owned by a short list of landowners, according to *The New Statesman*.

An enormous amount of land is held by the Australian Colonial Agricultural (owned by the Kidman family). Their land mass is larger than 90 of the world’s smaller states. Colonial Agricultural is bigger than the world’s smallest 43 countries combined.

At one time, between 20 and 30 percent of Europe and the same proportion of South America was owned by the Roman Catholic Church. Most of those lands have since been lost, but the Pope is understood to own all the land of the Catholic Church’s institutions, religious orders and dioceses as monarch, on much the same basis as the Queen owns her acres. The estimated total of land held by the Pope is around 177 million acres. Approximately a decade ago, an association of 8 major denominations (which included the Catholic Church) made the claim that they collectively owned “7% of the inhabitable real estate on earth.”

Genomes. With the advent of the Human Genome Project, the notion of patenting human genes arose. There are now patents associated with around a quarter of the genes in the human genome.¹ Imagine that today, even the gene sequences of human life have ownership rights in the form of patents. In effect, simply having knowledge of “how wondrously made” (Psalm 139:14) something is has become an item with monetary worth and therefore cannot be used by another party. Some medical research cannot be performed without the prior permission of the patent holder.

... continued on page 4

Signs of the Times



Financial Signs of the Times — Part XI: Deceit and Deception

This issue we review the eleventh of twelve financial and economic signs of the endtimes — deceit and corruption.

Deception is another key characteristic of the last days. It is a theme found in much of prophetic scripture, both in the Old and New Testaments. Of course, deceit has always existed. However, the book of Daniel clearly forewarns that the last regime — the one that ultimately gives rise to the final rebellion against God — is one marked by great deception. Here are some of the key references: “[...] a master of intrigue will arise [...]; He will cause deceit to prosper” (Daniel 8:23-25); “It prospered in everything it did, and truth was thrown to the ground” (Daniel 9:12).

Not only will there be rampant spiritual and religious deception during the last days — clearly evident today — deceit and corruption infuses the entire world in every respect including, of course, politics and commerce. Spiritual deception almost always involves a corrupt attitude toward possessions and the earth. For example, “worries of this life and the deceitfulness of wealth” choke our faith lives, making it unfruitful (Matthew 13:22). The apostate teachers that the Apostle Paul warned us about in Romans 1 were deceitful and greedy. In Timothy 6:5 he similarly warned of “men of corrupt mind, who have been robbed of the truth and who think that godliness is a means to financial gain.”

We see that deceitfulness, greed, corruption and an endtime boom in wealth are all closely related. Evidence of the existence of one invariably leads to the proof of the other. Though we are categorizing deceitfulness and corruption as the eleventh financial sign, it does overlap with some of the earlier categories already covered. In one sense, deception is involved in all the financial signs of the endtimes.

Similarities With Old Testament Times

In this and the next sign, we will briefly mention just a few of the conditions of deceit and corruption that exist today. While considering how to document the extent of deception in the world today, we sifted through our files on this and related topics. There was much material; however, the realization dawned that we were attempting to chronicle deception using the very measures of a corrupt world itself. Surveys on crime, polls on societal attitudes and business practices, and so on are often influenced by “vested interest.” In our day of “spin” and “hype,” much information is managed. What reliable

benchmarks are there to use? Therefore, better to consult with the Old Testament prophets and compare their observations to conditions in our day.

It always strikes us how similar conditions were during the times in which the Old Testament prophets decried the apostate and corrupt state of Judah. 2,500 years ago there were no shortages of so-called false prophets willing to foretell sweet and pleasing things. “Give us no more visions of what is right! Tell us pleasant things [...]” (Isaiah 30:10). None of these “pillow” prophets actually spoke the truth or heard from God. “They are prophesying to you false visions, divinations, idolatries and the delusions of their own mind,” said Jeremiah (Jeremiah 14:14). It was one of the most harmful forms of deception. It lulled people into a comfortable complacency and moral laxity; destruction and judgment eventually followed. It’s not much different today. In at least one form, there are many more “pillow” prophets today than ever before. After all, there are more economists, brokers and financial planners than ever before. The business of forecasting pleasing things is booming like there’s no tomorrow.

Truth is Small Beer

Said Micah: “If a liar and deceiver comes and says, ‘I will prophesy for you plenty of wine and beer,’ he would be just the prophet for this people!” (Micah 2:11). Similarly, the most ridiculous things are being predicted today, yet they are received with great eagerness. Few of such views have even a smidgeon of common sense or truth to their credit. Many such modern-day prophecies apply to the area of wealth and finances. “Everybody can be rich,” “Trade your way to riches,” “achieve your dreams” (by borrowing), “globalization is good for the world’s poor,” “a strong economic recovery is ahead,” “sock your money into mutual funds for a comfortable retirement”... and so on. None of these are based upon a full factual analysis. They play on an appeal to the wants of people. A dollop of deception underlies each implied premise, though there may be a kernel of potential truth.

The result? Many people earn outsized incomes prophesying “plenty of wine and beer” today. Admittedly, some of them have been exposed for the frauds they really are in recent times, as financial markets have wobbled unpredictably and evidence of rampant and widespread corruption emerges. If that were not true, it would not be possible that large companies such as Enron, AIG, or Lehman Brothers could disintegrate in a matter of only days or months, their share prices collapsing as much as 99% from their peak. These companies went from vaunted world paragons to nothing virtually overnight. It is not surprising to discover how many had their fingers in the pot, acting in complicity within these great deceptions — financial analysts, brokers, corporate executives, public relations

consultants, politicians, portfolio managers, corporate bankers, the public accounting firms ... and, of course, politicians. We have seen this corruption at work firsthand for years, warning of its ultimate consequences. The sad reality is that only the tip of an iceberg comes to the light.

The Danger of Biased Forecasting

Consider the evidence of biased forecasting: Why are financial market analysts more likely to issue “buy” recommendations than “sell”? It used to be the norm that for every 10 “buy” reports, only one “sell” recommendation was made. That statistic displayed extreme bias. However, at one point, this tendency became even more extreme. At that time, a survey of stock market analysts and public companies concluded that 90% of all analysts are afraid of the repercussions of issuing sell recommendations. Therefore it is not surprising that a snapshot of over 27,700 analysts’ reports recently found that less than 1% of these advised that investors should sell a stock. Such a skewed slanting of the facts really amounts to an exercise in deception. Only those opinions that placate greed and promote gains are emphasized and encouraged. Negative news or unfavorable opinions — though they may help avoid troubles — are suppressed or conveniently ignored.

Many Modern Prophets are Corrupt

No doubt, all forecasts should be scrutinized. Predictions have always been highly prone to certain forecaster biases such as the itching ears of a willing audience, a heavy bent toward optimism, the tireless quest to find security in a volatile world, demagoguery contests, and of course, a love for financial prosperity. With all these imperfections, forecasting nevertheless remains big business. There was and will always be a large audience and clientele willing to pay for and listen to viewpoints that want to be heard. We all identify with this innate tendency — preferring good news to bad — and see this tendency at work all around us. We all know people that continue to seek advice from others until they hear the view that they want.

Whether by means of astrology, modern mathematical models, or spirit-led advisors, there’s absolutely no evidence that the reliability and accuracy of forecasts concerning the future affairs of mankind have improved. In fact, if anything, the accuracy of seers may have even worsened. Swings in public consensus beliefs seem to be more rapid and fickle than ever. After all, society is very quick to discard its financial prophets and gurus for new ones with more favorable predictions. Moreover, forecasting inaccuracies are widely evident to anyone who cares to read a month-old newspaper, not to mention any forecasts of a decade earlier.

Identifying Reliable Forecasts

The only interest of God’s prophets was truth ... the Truth. They were more concerned about the road traveled and warning about where this path would ultimately lead, beginning their warnings many years ahead of the calamities that eventually resulted. They did not know the exact time point that God’s wrath would fall. They weren’t making a living with timing services that tried to get their clients out of their investment portfolios or real estate holdings not a moment too soon ... near the point that the Babylonians were crashing the city gates. Neither is it likely that God’s prophets would have been cashing in on their “predictions” (things revealed to them by God) personally and trying to build a reputation for themselves. Would they have tried to make themselves wealthy by setting up survival supply companies or precious metal brokerages? I believe these types of motivations were the furthest from their minds. They were grieving for their nation. As unpopular as they were, they were compelled to only speak God’s message — to be obedient messengers rather than pursue self-interest.

Points to Ponder

Any observer with a bit of critical thinking must agree that present-day financial and economic systems are riddled with falsehoods and schemes. We would have little difficulty pointing to a hundred or more statistical falsehoods, false doctrines and faulty economic theories that play an accepted role today. Today’s global financial systems are perched upon an unstable tower of intrigue, confidence games, insider activity, commercial conspiracies, etc. These practices and values (some of which we will cover in the next issue of EVR) are not just those of rogues and mavericks, but rather are institutionalized at the highest levels. Such conduct is widely accepted as the norm.

Deception is rampant today; many are deceived. But standing against this tide of deception should only be done in honor of He who had no sin. Little reward can be expected from the world. Jeremiah whined to God, “I have never lent nor borrowed, yet everyone curses me” (Jeremiah 15:10). He was not participating in a commercial system that operated to oppress the poor and transfer wealth to the “experts in greed.” Apparently, because he wasn’t, people thought that Jeremiah was being judgmental. Not really. He was simply honoring God through obedience. We have the liberty to do the same.

Footnotes

i. “Watch out that you are not deceived. For many will come in my name, claiming, ‘I am he’” (Luke 21:28).

ii. First Call/Thomson Financial, October 1999.

Facts & Stats ... Ends & Trends



TOPICAL QUOTES

“One in 31 Adults” (~2.3 million) are under the control of the correctional system according to a March 2009 Pew Center Report of the same title. 1 in every 100 adults are imprisoned in jail, state prison, or federal prison. 25 years ago, those under the control of the correctional system was 1 in 77 adults as compared to 1 in 31 adults. If you factor in the numbers on parole or probation (~5.1 million [2007]), the numbers in jail, prison or on probation swell to ~7.3 million under some type of correctional/probationary control (2007).—<http://angrybearblog.com>

The United Nations Office on Drugs and Crime (UNODC) conducted a study to determine the magnitude of illicit funds generated by drug trafficking and organised crimes and to investigate to what extent these funds are laundered. The report estimates that in 2009, criminal proceeds amounted to 3.6% of global GDP, with 2.7% (or USD 1.6 trillion) being laundered. This falls within the widely quoted estimate by the International Monetary Fund, who stated in 1998 that the aggregate size of money laundering in the world would be somewhere between 2% and 5% of the world's gross domestic product.—<http://www.ritholtz.com>,

The number of billionaires on China's mainland is expected to exceed the combined number of billionaires in the United Kingdom, Russia, France and Switzerland by 2023, a report said March 11, 2014. The growth in billionaire numbers is fueled by positive outlook for wealth creation in the country which is set to add an extra US \$1 trillion to global GDP every year from 2013, according to an annual wealth report by Knight Frank.—<http://www.shanghaidaily.com>,

Institutional buys and sells accounted for 47% of trading volume between 2001 and 2006, but only 29% of trading volume since 2008. One of the most significant results of the tension between fewer market participants and larger parent order sizes is that the share of ‘real’ trading volume has declined by around

40% in the last 5 years.—

Morgan Stanley QDS, “Real Trading Volume”, Charles Crow and Simon Emrich

The sharp decline in crime since the 1990s has led to a rash of theories to explain it: ageing populations, higher incarceration and immigration rates, less exposure to lead paint, better police tactics as well as vastly improved security of both products (such as improved circuitry in cars that impedes hot-wiring) and places (security cameras and bullet-proof partitions once protected only banks, but today they are standard in American corner liquor stores). Mr. [Volkan] Topalli's paper suggests that the shift from cash to cards—since 1990 debit-card transactions have risen 27-fold, whereas cash volume has grown by just 4% a year—may also have contributed to the decline in crime. It's hard to rip and run, after all, without something to rip.—

The Economist

“It's a very straightforward result,” UCSD professor Joseph Engleberg calmly states, hospitalizations rise on days when shares fall, and “people are hospitalized disproportionately for mental conditions.” Equity-market losses appeared to induce 3,700 market-related hospitalizations a year in California, which implies visits add roughly \$650 million a year to US health-care costs when data from the most -populous state are extrapolated nationally—another additional cost of QE? The findings, Bloomberg reports, show a one-day drop in equities of around 1.5% is followed by about a 0.26% increase in hospital admissions on average over the next 2 days, according to a March 2013 study by Joseph Engelberg and Christopher parsons, associate professors of finance at the University of California at San Diego. The impact on psychological conditions such as anxiety or panic attacks is even stronger and more immediate, with admissions jumping twice that much in one day. They cited Census Bureau data showing an average hospitalization event costs around \$21,000.—<http://www.zerohedge.com>,

EVR

“An imbalance between rich and poor is the oldest and most fatal ailment of all republics.”—**Plutarch, Greek historian, first century AD**

“There is not means of avoiding the final collapse of a boom brought about by credit expansion. The alternative is only whether the crisis should come sooner as the result of a voluntary abandonment of further credit expansion, or later as a final and total catastrophe of the currency system involved.”—**Ludwig von Mises**

“No very deep knowledge of economics is usually needed for grasping the immediate effects of a measure; but the task of economics is to foretell the remoter effects, and so to allow us to avoid such acts as attempt to remedy a present ill by sowing the seeds of a much greater ill for the future.”—**Ludwig von Mises**

“In individuals, insanity is rare; but in groups, parties, nations and epochs, it is the rule.”—**Friedrich Nietzsche**

“If you want to know what God thinks of money, just look at the people he gave it to.”—**Dorothy Parker**

“Wealth consists not in having great possessions, but in having few wants.”—**Epictetus**

Biological Molecules, Genetically Modified. Today, pharmaceutical and seed companies will stake ownership rights upon life forms (seeds) and biological molecules. They may alter these biological materials (GMOs or genetically modified organisms) and thereby stake their claims. This has been an extremely lucrative business.

Color Spectrum. In our materialistically-mad society, believe it or not, there are legal disputes over colors. How could that be? Aren't colors a function of the natural spectrum and the created human capacity to see them? Nevertheless, various ownership battles are raging. Here is just one example: Pantone (owned by Lawrence Herbert and family) has developed a color category spectrum which is intellectual property and can only be used if licensed.²

Life Savers, a well-known candy company, has used a multi-colored striped background on the wrapper for its multi-flavored hard candies. Later, Curtiss Candy Co. introduced their brand of hard candies in a multi-colored striped background wrapper. Life Savers sued. Do they have the right to get a permanent injunction against Curtiss to stop their use of a multi-colored striped label? While in this case the issue concerns several colors and its basic striped design, it is illustrative none-the-less, involving the matter of trademarks.

Brand Values. Companies today can be worth many times what is indicated by their financial balance sheets through "brand value." For example, the brand value (not the company itself, only its brand name identity) of Apple (the electronic consumer goods company, best known for the iPhone) is estimated to be worth \$104.5 billion, according to *Forbes* magazine's most recent World's Most Valuable Brands survey.

Intellectual Property Rights. All the inventions, intellectual concepts, writings, compositions and creations of mankind are eligible for patents. Patents do eventually expire for the most part. Nevertheless, these can have great value. Therefore, it is not surprising to see that some patent rights are being extended very significantly.

Air Waves. Radio frequencies are viewed as ownable space even though they are invisible. Though the spectrum range is large, there are only a finite number of frequencies. Auctions of frequencies for cell phone use over the recent decade provide some indication of just how valuable this space is. For example, a 2008 auction in Canada of just one spectrum (a spot on the dial, in old-fashioned radio terms) raised \$4.25 billion. The spectrum auctions of the German government back in 2010 raised a staggering \$98.8 billion.

As we have partly illustrated, there are many more parts and portions of this earth that have been carved up

into separate ownership rights. We have only touched upon a few.

Points to Ponder

The most unimaginable things in the earth's sphere are now owned by humans. Even planets and stars can be owned (unofficially, of course). Humorously, according to one website, for \$5, you can have a star named after you. Actually, a legitimate organization does exist, the International Astronomical Union,³ which assigns names to heavenly entities such as stars and comets. These names are for scientific documentation purposes, and are not for sale.

In all seriousness, we realize that the "lust of the eyes" at this "late, great state" in the world has been built up into a highly-sophisticated ownership system, giving rise to massive and measurable wealth, riches and splendor. Property rights and their protection are indeed important. Seen in the aggregate, this huge, measurable pile of wealth, though much of it indeed is false wealth, serves as a great anchor for the materialists and humanists. Progress is defined as wealth continuing to increase. More is better. Its pursuit is the essence of the meaning of life. It is the value system of Mammon.

The world may think that everything is up for grabs for personal or corporate ownership, and that this will mark the advancement of mankind in the future, but one thing can never be owned by humans. "Do you not know that your bodies are temples of the Holy Spirit, who is in you, whom you have received from God? You are not your own" (1 Corinthians 6:19). We do not own ourselves, whether we are Christians or not.

We are not our own. This brings great comfort to those that live unto the Lord. "For in him we live and move and have our being" (Acts 17:28).

Can the world boast of the ownership that the Bible tells of here in this verse: "Now it is God who makes both us and you stand firm in Christ. He anointed us, set his seal of ownership on us, and put his Spirit in our hearts as a deposit, guaranteeing what is to come" (2 Corinthians 1:21-22).

One day, the ownership structure of the world will change completely. We will continue to review the late, great state of "lust of the eyes" and "the pride of life" in the world today in Part II.

Endnotes

1 National Human Genome Research Institute. Intellectual Property Accessed: October 27, 2007. <http://www.genome.gov/19016590>

2 Color Matters. http://www.colormatters.com/color_trademark.html

3 International Astronomical Union (IAU). Among other objectives, the IAU also serves as the internationally-recognized authority for assigning designations to celestial bodies and any surface features on them. <http://www.iau>



Letters to the Editor

READER: [Re: *Theology Thicket: A Series of Most Unfortunate Texts* in Rapture Ready] Your statements were music to my ears: "Therefore, were He to have given us technical, scientific answers in the Scriptures, no one today would be able to fathom it in any case. Science is presumptuous to think that it could understand what and how God has created." God is Big! Bigger than we can imagine. Our vision of God is more like a superhero on the big screen. But God is so much bigger and more powerful. We can't begin to understand the depth of what He could tell us. I'm an engineer and the more we learn from science, the more obvious it is to me that God is the creator of all. Hope to see you soon! — **W.L.**

READER: Your writings are amazing in their nuance and critically important. I must say you're the closest to my "world views" I've ever seen or read, except your words would be more eloquently put than mine. I signed up for your updates yesterday. Thanks so much! — **M.N.**

READER: Dear Mr. Hahn, and brethren and sisthrens at Mulberry. [...] Your newsletter and website continue to be invaluable resources. Yes, even to economic illiterates like me. Your combination of focus, insight and relentless fidelity to Scripture are without known parallel. Thank you lots. God bless. — **Unattributed**

EVR

Recent Youtube Postings of Zola Levitt Ministries (with Wilfred Hahn)

Israel In Prophecy #5: Where is America in Bible Prophecy? Published on Jun 23, 2014

www.youtube.com/watch?v=FwIPZ6jMolg

Dr. Todd Baker of Zola Levitt Ministries interviews Wilfred Hahn at the Pre-Trib Conference in Dallas, Texas. Published on Feb 26, 2014

www.youtube.com/watch?v=fmk3Uh4At9w

The Dark Prince #10: The Experts Speak, Part 2. Published on Apr 12, 2012

www.youtube.com/watch?v=wbS7qyV3Ano

EVR

Wilfred's Itinerary: *The Mulberry Ministry*

- **December 1-3, 2014: 23rd Annual Pre-Trib Study Group Conference. Irving, Texas.**

www.pre-trib.org/conference

National Accounting: Mother of Modern Global Idol ... from back page

to the high unemployment levels in the U.S. during the 1930s Great Economic Depression). This would seem to be a worthy motive.

And, of course, all governments are eager to find tools to help them better assess their taxation base. This motivation, too, seemed innocuous and transparent, though perhaps not necessarily eagerly welcomed by the citizenry.

Metaphysical Money & Idols

National accounting overtime gave rise to an apparition of Money. (We capitalize this word as we are wanting to reference an entity with spiritual affections.)

The GDP figure became a comparative measure between nations and the infrastructure that supported new concepts of financial wealth. Eventually, the GDP statistic took on the mantle of Mammon ... a source and giver of prosperity ... the foundation upon which mankind translated its world into smug wealth. Humanity came to see itself as a self-determinant creator of wealth. "The Economy" took on a life of its own.

Today, virtually everyone depends on the concept of "The Economy." For example, a person may say: "If the economy picks up, I might buy a car." In a sense, the concept of "money" GDP has become a type of prosperity god.

Viewed technically, national accounting has served as a launch pad to a highly sophisticated, debt-based system of ownership and capital valuation, giving rise and foundation to a massive edifice of wealth, riches and splendor. Seen in the aggregate, this great big measurable pile of wealth — the ups and downs of which are reported in minute-by-minute detail — has become an idol.

Taking a literal Biblical worldview, we would venture further to say that humanists, intent upon creating earthly security and self-determination without God, would see national accounting as a necessary and ideal anchor for the materialist agendas mounted against God.

Idol Identification

The Bible has a rather humorous definition of an idol. Essentially, it is anything in which mankind places its hope and faith which proves itself unreliable and subject to "totter" and "topple." There are numerous verses that reflect this perspective and we have quoted them often.

Says the Bible, an idol is any object of human reliance that is vulnerable to toppling. For example: "A man too poor to present such an offering selects wood that will not rot. He looks for a skilled craftsman to set up an idol that will not topple" (Isaiah 40:20).

Isaiah tells us further: "The craftsman encourages the goldsmith, and he who smoothes with the hammer spurs on him who strikes the anvil. He says of the welding, 'It is good.' He nails down the idol so it will not topple" (Isaiah

41:7). Jeremiah, too, made the same observation: “[...] they cut a tree out of the forest, and a craftsman shapes it with his chisel. They adorn it with silver and gold; they fasten it with hammer and nails so it will not totter” (Jeremiah 10:3-4).

We may well ask, why worship something that we ourselves must prevent from toppling with our own hands? That surely is the case with financial markets. Our society worships soaring financial wealth (as false as most of it may be) but these markets repeatedly “totter” and “topple.” We then want policymakers to prop them back up.

Policymakers are working hard to fasten and nail down systemic financial risks. Organizations such as the Bank of International Settlements (BIS), the Financial Stability Board (G20) and the central banks of many countries are rigging and reforming guidelines in the hopes that this will prevent their idols from falling over again.

Tottering GDP

Earlier, we stated that national accounting statistics are highly unreliable. It is a most arbitrary of concepts, constantly being changed and adjusted. The concept of Gross Domestic Product is grossly inaccurate and highly subjective.

Consider these following examples of “reliable” national accounting:

Nine years ago, China decided to update a number of assumptions in its national accounting methodology. As a result, it reported that the money equivalent of the Chinese economy was actually 16.8% larger than they thought. Virtually overnight, the Chinese economy was recognized to be much bigger on the world scene, becoming the 4th largest economy in the world in 2006. A stroke of a pen and voila ... China’s GDP was worth hundreds of billions more! Many changes have been made since, with another new draft of its accounting methodology being introduced only a few months ago.

While China’s 1998 revision counts as one of the more radical examples, the fact is that all countries change their national accounting rules very frequently (including advanced nations). Almost always, these changes serve to amplify the reported growth rate.

In the late 1990s, Japan decided to adopt “hedonistic” accounting principles, similar to the U.S. practice. (Loosely defined, this a technical term that refers to estimates of changes in consumer preference and benefit). This change substantially boosted the level of reported GDP for Japan. After having experiencing depression-like conditions for a decade or so, this stroke of a pen made comparative economic growth look better for a time. Its politicians will surely have preferred these “rosy-looking” numbers.

Prostitutes add to GDP

Other examples of changes in the definition of GDP

(of which, there seem to be no end) show how politically and morally influenced is this statistic. Recently Sweden decided to count gambling and prostitution as activities that are added to the national output. The net result was to modestly pump up the size of this country’s GDP.

As of September 2014, all European Union countries are required to provide accounting estimates for trade in sex, drugs and other underground activities. This is part of an overhaul of economic measurements by Eurostat, the Europeans statistics agency. These changes will boost reported GDP. Spain, for example, estimates that including prostitution will add some \$20 billion to the size of its economy.

Were Italy to include all black market activities and the valued-added of the Mafia, would it then be the second largest European economy behind Germany? This would be one way of improving Italy’s high debt-to-GDP ratio! On a serious note, readers will acknowledge the gamesmanship that can apply to national accounting.

Surely the U.S. is above such fickleness. Consider next how unreliable are reported GDP statistics even in the largest economy in the world!

Rewriting Economic History

The graph on page 11 shows the extent of revisions for a selected quarterly period in the U.S. — the third quarter of 1990. The original report claimed SAAR (seasonally adjusted annual rate) growth of 1.8%. That pace would seem reasonably positive, though slow by the standards of that era.

But wait. Extensive revisions followed.

Two years later, the estimate for growth in this quarter was changed to a negative 1.6%. What was first thought to be a positive growth, and was surely received as such by financial markets and voters, had actually been negative by the light of future opinion. In effect, history had been rewritten. But that is not the end of this statistic. It continued to be revised repeatedly. Finally, some ten years later, the growth estimate for this period settled in at a near-zero rate.

Analysts who relied on these “tottering” statistics would not have been able to draw any reliable conclusions. In fact, they would have been misled. We repeatedly find GDP statistics of 30, 40 or more years ago that are revised. It makes a mockery of economic analysis.

The banality of the statistical games that nations play with their national accounting is plain to see.

Economists have long agreed that GDP is an imperfect measure of well-being. Few people are actually happier or more content though reported GDP may continue to grow briskly. This calculation is therefore of a very narrow dimension, and takes no consideration of social costs (i.e. the cost of pollution, for example) or the impact on human relationships or various non-market transactions. GDP is clearly a Money number and nothing much more. It is

rickety, wobbly and misleading.

Nevertheless, Mammon must be supplicated. Financial market participants today continue to treat newly-reported GDP statistics as from the mouth of an oracle.

We conclude that the common denominator of all human activity and philosophies is increasingly the metaphysical entity of Money ... an idol that is held in great reverence.

Points to Ponder

Most certainly, the National Accounts System has its useful applications.

Yet, it has served as a launch point for a humanist world that is intent upon globalism, the further capture all of mankind’s activities in a financial net, and to fabricate an enticing boom in worldwide financial wealth.

Unfortunately, much of this “money image” of so-called progress is delusion.

In ancient times, kings and nations did not measure the value of economic output. Rather, they took a census to determine the size of the population and the number of foreigners. The strength of a nation was determined by the number of its people and the size of its army (and its technology) — not economic output.

This is the convention shown in the Old Testament. For example, when God chose Israel it was not because they were many (meaning, strong). “The LORD did not set his affection on you and choose you because you were more numerous than other peoples, for you were the fewest of all peoples” (Deuteronomy 7:7, NIV).

The most intensive Biblical report of transactional statistics for an overall kingdom is likely the accounts of Solomon found in 1 & 2 Kings and 1& 2 Chronicles. Reading of the riches and splendor of Solomon’s reign, it almost conjures up the fanciful idolatry of our modern-day financial system that

is intertwined with national accounting.

Could that be the reason why the number 666 surfaces in these accounts? (See 1 Kings 10:14 and 2 Chronicles 10:14 — “The weight of the gold that Solomon received yearly was 666 talents.”) We can only speculate, even though some parallels may be obvious.

It seems doubtful that God has much use for the concept of Gross Domestic Product. He looks to the individual hearts of mankind ... the numbers of souls. He cares not for the might, riches and large economies of nations. A poor person is just as valuable to him (if not more so, as Christ came to rescue the poor) as are one or more persons from a nation with a high GDP per capita. He is much more inclined to receive contrite souls who do not depend nor place their hope upon wealth.

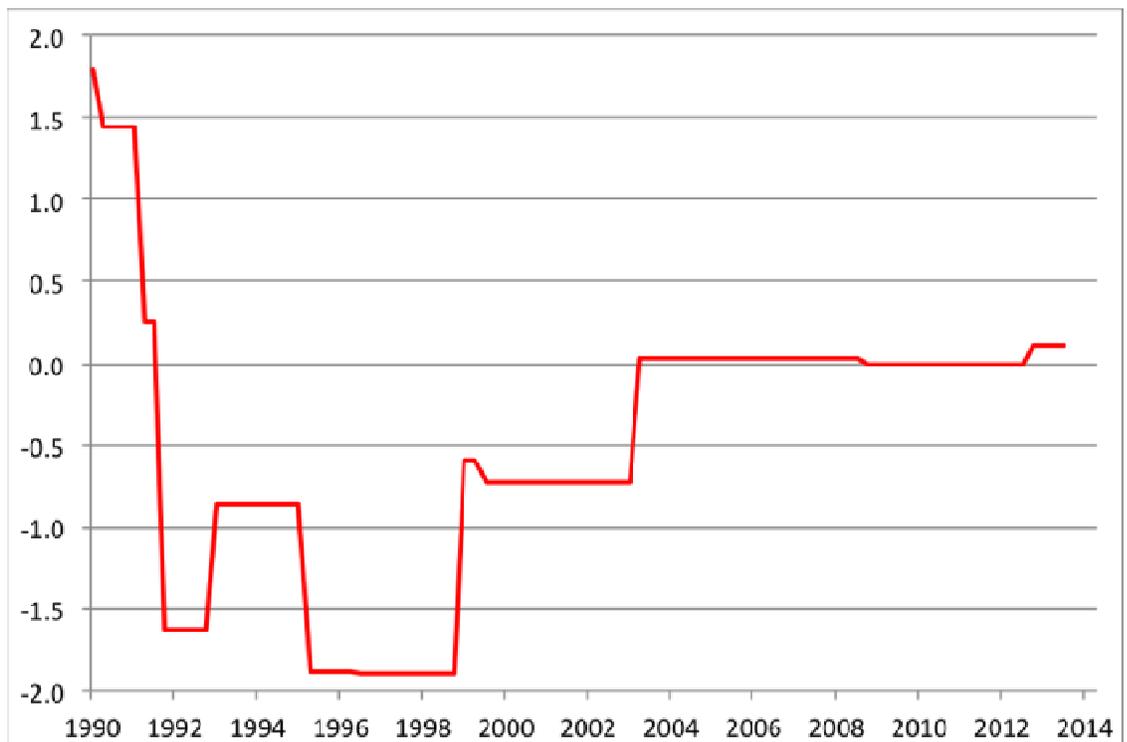
The Psalmist said “[...] though your riches increase, do not set your heart on them” (Psalm 62:10).

“Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment” (1Timothy 6:17).

These two verses provide a command to Christians. We must not be caught up in the affections of a world smitten with metaphysical and idolatrous Money.

EVR

**U.S.: Revisions to Third-Quarter 1990 Real GDP Growth
1990 to 2014, Seasonally-Adjusted Annual Rate (SAAR)**



Source: Real-time database of the Federal Reserve Bank of Philadelphia and authors’ calculations. Originally published on www.moneyandbanking.com.



Personal Perspective

National Accounting: Mother of Modern Global Idol

A big disappointment occurred earlier this year. It was the report that the U.S. economy suffered a huge negative setback in the first quarter of 2014. Economic growth (as measured by the concept of Gross Domestic Product or GDP, for short) purportedly shrank at a rate of minus 2.8% during that period.

Economists were shocked. They had held an optimistic view for 2014. They thought the year had begun auspiciously. Nevertheless, they were proven embarrassingly wrong. But by whom? Just who makes such determinations? What does GDP really measure and why would anyone care?

Financial observers, investors, the business media and others slave over every twitch and tweet of economic statistics. In the case of GDP statistics, any sign of a pick-up in the pace of growth is exuberantly celebrated. A difference of a few tenths of one percent in an estimated growth rate can cause stock and bond markets to soar or fall. The slightest wiggle is treated with great significance.

Given this hyper-responsive reaction to GDP statistics, you may be surprised to learn that the GDP estimates (and also other economic statistics) are highly unreliable and subjective.

Furthermore, did you know that Gross Domestic Product is a very modern invention, finding its roots as recently as around the 1920s? How was it possible that humanity was able to survive without such a concept before that time?

Viewing the reactive financial markets of today, it is hard to imagine that there was no such thing as quarterly estimates of Gross Domestic Product (GDP) in the 1920s and 1930s. Floor traders on the New York Stock Exchange floor did not wait with bated breath for the announcement of such a statistic.

GDP: What is it?

Allow us to explain the significance of GDP.

To be sure, economic statistics have existed for generations. These types of transactional records date back to ancient Babylonian times (most certainly in the form of business and trade transaction records).

However, never before was there invented a systematic approach to measuring the total value of human activity and output (whatever the definition) in terms of a “money value.” Perhaps a silver trade guild may have attempted to record the sales volume of figurines of Artemis (See Acts

19:4-29) but no one thought to try to estimate the “value added” of this production and to equate its overall contribution to the total money value of Asia Minor’s output.

GDP is a concept born out of the invention of national accounting. Going back to its roots, Russia, a communist country, developed national output tables in the 1920s. Its primary goal was to measure economic efficiency rather than its value in financial terms.

Later, beginning in the 1930s, the National Accounts System was first developed in the United States. The well-known Simon Kuznets — he the reputed discoverer of the Kuznets Cycle — was one of its contributors during that early period.

Crucially, national accounting was then rapidly adopted in other countries. Many countries saw the benefit of such a calculation. It was an era in which it was increasingly recognized that economic size (in terms of money GDP) was a form of power and might. By 1952, the United Nations had published a guideline called *A System of National Accounts and Supporting Tables*, thus introducing this standardized system to the entire world.

Today, every country in the world has its economic output measured (even if not by its own statistical agency). Not all nations follow the exact same rules as some of these are quite arbitrary as we will show shortly. However, transnational organizations such as the OECD (Organization for Economic Cooperation & Development), the International Monetary Fund, United Nations, World Bank and many others work to harmonize their presentation of international statistics.

Today, the value of the economic output of the entire world is estimated. For example, according to the World Bank’s “current nominal value” definition of Gross National Product, total world economic output in 2013 was estimated at \$74.264 trillion in U.S. dollars. This statistic would have very little meaning to most people. Nevertheless, it provides an anchor for the sense of value ... the extent of wealth ... the possibilities of even greater and unlimited wealth.

Just why was it seen as desirable to measure the output and activity levels of all humanity in terms of money? And, why was this national accounting convention so readily adopted in the first place? This seems to be such an unruly and unscientific undertaking given that the value of money itself down through history has been such a volatile and unreliable specie. It is one thing to record human activity; it is another to value it in monetary terms.

At the beginning, a main purpose of national accounting was to better manage employment levels (responding

... continued on page 9

