



ETERNAL VALUE REVIEW

MONEY MONITOR & GLOBAL TRENDS REPORT

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"For thinking Christians seeking to understand the times."

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FEATURE REPORT

Gilded Ages— Part I: Solomon, 666 and Gold

To this point in history, the greatest period of power and wealth for Israel was during the reign of King Solomon. During this time, for the most part, Israel was at peace. Its land mass stretched from the Mediterranean and northern Egypt to outposts on the River Babylon. Solomon received tributes and levies from many other kingdoms. 1 Kings 10 (and also 2 Chronicles 9) gives an account of Solomon's Golden Age, including the ostentatious visit by the Queen of Sheba. An excerpt from 1 Kings 10, (verses 21 to 26, NIV) provides an indication of Solomon's grandeur:

"All King Solomon's goblets were gold, and all the household articles in the Palace of the Forest of Lebanon were pure gold. Nothing was made of silver, because silver was considered of little value in Solomon's days. The king had a fleet of trading ships at sea along with the ships of Hiram. Once every three years it returned, carrying gold, silver and ivory, and apes and baboons. King Solomon was greater in riches and wisdom than all the other kings of the earth. The whole world sought audience with Solomon to hear the wisdom God had put in his heart. Year after year, everyone who came brought a gift—articles of silver and gold, robes, weapons and spices, and horses and mules. Solomon accumulated chariots and horses; he had fourteen hundred chariots and twelve thousand horses, which he kept in the chariot cities and also with him in Jerusalem. The king made silver as common in Jerusalem as stones, and cedar as plentiful as sycamore-fig trees in the foothills."

... continued on page 3

US Dollar Index

(Avg. of Euro, Canadian Dollar, Swedish Krona, British Pound, Japanese Yen, Swiss Franc)



Source: www.stockcharts.com. Friday, Sept. 21, 2007

WORLD MONEY UPDATE

Global Financial Fireworks

The cat is finally out of the bag. America's Federal Reserve Board has finally capitulated, and has begun to drop interest rates. As we always thought, the central bank would finally be flushed out as the nation's housing bubble would turn from a bust to a disaster. And, recently, given a starting credit bust, its Wall Street friends also needed a lifeline.

It is very important that you realize what is now beginning to unfold. As readers well know, our comments are not narrowly directed at investment advice, but rather to unveiling the role of money and the signs of the times in these last days.

In that regard, recent events are monumental as well as equally misunderstood. That is tragic. Soon, these dynamics will cascade and spread to the rest of the world. That has already begun to occur as several bank defaults have been triggered in Europe. In fact, a major global inflationary period could lie ahead even as economic hardships heighten. It all prompts the question: Could this eventually lead to a

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"I counsel you to buy from me gold refined in the fire, so you can become rich; and white clothes to wear, so you can cover your shameful nakedness; and salve to put on your eyes, so you can see."

Revelation 3:18

In This Issue

Global Financial Fireworks — pg.1

Gilded Ages Part I — pg.1
Part II — pg. 6

Ends 'n Trends: Rider on the Black Horse — pg. 5

Personal Perspective: The Fall of America and Chinese Cronyism — pg. 12

situation described in Revelation 6.6 where the rider “*holding a pair of scales in his hand*” is mentioned? Of course, this is a speculative notion. However, we ponder it further on page 5.

The reason why there remains much complacency at this time in view of such scenarios is that recent financial tremors did not include a crash in the stock market. The main specter was elsewhere: It was a crash in “credit” and trust. Therefore, at present, the financial topography is very different from that which most people are accustomed to expect. To assume that just because stock markets did not crash, that no significant damage has occurred in financial systems or that a period of economic troubles does not lie ahead is likely to be very wrong.

It is important to understand this, as without this notion, it will be difficult to assess the unfolding financial ramifications yet to come and their likely impact on economies and mass crowd behavior. Credit developments and its related liquidity effects are not as observable as are the stock market indices that are published every few seconds. In fact, there is strong reason to suggest that the very opaqueness of the credit providers in non-bank circles means that many emerging problems are actually hidden from view (*and can be hidden for a time longer*).

Unfortunately, most analysts are not looking to the real eye of the storm. As mentioned, the vortex is found in the credit complex. And here, looking at the various credit indicators, there can be no doubt that there has been a crash as has not been seen in at least 75 years ... perhaps ever. Unfortunately, we do not have the space to list the many indicators.

As such, here are the main questions of the moment: Has a “great financial unwinding” begun or can a coordinated assault by the world’s major central bankers and financial institutions right the ship? In time, these

efforts will involve competitive slashing of interest rates and currency devaluations around the world. Secondly, whether or not these efforts are successful in stabilizing global economies, is it possible that the world could fall into a degenerative situation where investors and the rich rush to escape the destruction of money? The collapsing US dollar and the rise in commodity prices lately may be a foreshadow of what is yet to come. (*Please see the graphs on pgs. 1 & 8.*)

A similar scenario to the latter, unfolding globally, is the likely scene being described in Revelation 6:6. In the next issue of *EVR* we will provide an in-depth commentary on this scenario as well as our interpretations of this text.

Let’s face it. There has been a long-running global “credit and debt mania” over recent decades, like none ever before in the entire history of mankind. Now this sewer of malfeasance is backing up. A financial turning point has arrived, and as its many disrobed players have now been exposed to the light, like cockroaches, they are running for cover. It is a powerful and shaming reflex that is not likely to reverse quickly. These motivations working together at various levels and nodes in the credit chain around the world are a formidable force that can crush collateral values as well as money and liquidity.

It is the recognition of this danger that will likely galvanize the actions of central banks around the world. Eventually, these central banks — for now only the US — around the globe will be competitively slashing interest rates. The UK will probably be next. But, most likely, this specter will be a hallmark of a deteriorating economic environment, rather than the beginnings of an imminent turnaround. That will trigger even more rate cuts and currency debasement.

There is a very recent precedent for such an outcome — that being economies remaining comatose for a time despite the huge stimulative injections of the central banks. It happened in Japan less than 20 years ago. Due to a classical “liquidity trap,” Japan’s economy entered a decade long depression. Closer to home, glimmers of a credit blockage was evident in the early millennium in North America. Stock markets continue to fall (*another 28%*) and the economy worsened despite drastic interest rate cuts for a period of another 8 months.

Why should it be any different this time? Actually, given prevailing conditions today, future scenarios would be hard pressed to turn out any better. The only difference in these dynamics in the future, is that they will have a global ambit, rather than being largely limited to just one country. Modern pagan “materialistic man” will be panicked in this environment and will rush to defend or preserve the value of his wealth. A world-wide inflationary “crack-up” boom could possibly result. A powerful human psychological response is involved that should not be underestimated.

EVR



ETERNAL VALUE REVIEW
MONEY MONITOR & GLOBAL TRENDS REPORT



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We see that Solomon was wealthy beyond imagination. However, the Bible makes it clear that these riches were not a result of Solomon's works, but rather a blessing from God. When Solomon asked God for understanding, the Lord responded thus:

"Behold [...] I have given thee a wise and an understanding heart; so that there was none like thee before thee, neither after thee shall any arise like unto thee. And I have also given thee that which thou hast not asked, both riches, and honour [...].": so that there shall not be any among the kings like unto thee all thy days." (1 Kings 3:12-12, KJV)

Yet, we also know that while God surely did deliver his promise, Solomon did not finish his life faithful. In time, he allowed the blessings themselves to corrupt him. As he gained power, honor and influence, he began to break many of God's commands. He wandered off to follow his own interests and indulgences. While tragic, it was not surprising. Only two generations earlier, Samuel had warned Israel about the dangers of appointing a king over them. Nevertheless, the people said: *"We want a king over us. Then we will be like all the other nations."* (Samuel 8:19-20)

Even earlier, Moses had expressly laid down requirements should Israel ever want a king. The king *"must not acquire great numbers of horses for himself"* (Deuteronomy 17:16); *"He must not take many wives, or his heart will be led astray. He must not accumulate large amounts of silver and gold."* (Verse 17) Solomon did all of these things. He had hundreds of horses, wives and concubines. He built himself an immense palace, much larger than the temple he had built for the Lord. Moreover, he built himself an impressive throne. (verses 18-20) While God had told Moses never to build steps in front of any altar, Solomon elected to have 6 steps leading to his throne with 12 golden lions placed upon them.

And, true to the prophecy of Samuel that the entire nation of Israel would end up being oppressed by their kings economically, (1 Samuel 8:10-18) this indeed proved to be the case with Solomon. Jeroboam, appealing to King Rehoboam (Solomon's son) said, *"Your father put a heavy yoke on us, but now lighten the harsh labor and the heavy yoke he put on us."* (2 Chronicles 10:4) Solomon had raised a levy upon all Israel. (1 Kings 5:13) Extra-biblical sources indicate that high levels of inflation existed during the later stages of Solomon's reign. As a result, the population was in a plaintive mood.

Solomon's Foreshadowing and 666

The account of Solomon's reign holds many lessons,

only a few of which we can profitably explore here. Interestingly, Solomon's Golden Age provides a useful type or foreshadow of another type of Gilded Age ... one that the world is hankering after today.

The chapter of 1 Kings 11 is rather remarkable in several respects. In this single chapter is shown both the rise and fall of Solomon, providing another example of a man (*mankind*) receiving blessings but ultimately forgetting its source and conditional aspects. And, most curiously, the number 666 is mentioned.

What could this infamous number have to do with Solomon's era if anything? In this writer's view, the mention of this number is neither accidental nor circumstantial. The Holy Spirit intended it for a reason.

In 1 Kings 10:14-15 we read. *"The weight of the gold that Solomon received yearly was 666 talents, not including the revenues from merchants and traders and from all the Arabian kings and the governors of the land."* This surely was a large income. Based upon recent gold prices, 666 talents would amount to an annual income of about one-half billion in US dollar terms. Based upon the average income of that time, King Solomon would have earned an income equivalent to about 200,000 laborers and more. In those terms, his annual income would be closer to an equivalent of \$8 to \$10 billion per year. As the Bible confirms, no other king was as rich as he was during that time.

But, let's return to our examination of this curious number — *"six hundred threescore and six"* as it is phrased in the King James translation. It comes up on only 3 occasions in the Bible. Most well known is its reference in Revelation 13:18. Another reference is found in Ezra 2:13, where it refers to the number of Adomicam's family that was returning to Jerusalem from Babylon. However, the parallel account in Nehemiah 7:18, counts them differently at 667. Given this apparent inconsistency, we are best not to attribute any importance to this reference.

However, the first reference in the Bible to the number 666 appears in the two parallel records of the reign of King Solomon. (1 Kings 10 and 2 Chronicles 9) In both, the number is mentioned specifically.

But why should its reference here attract further attention? There are at least two reasons. Firstly, the number is incongruous with the rest of these two chapters. It sticks out as a sore thumb.

The two, almost identical, Scripture accounts employ many numbers in describing the reign of King Solomon and the opulence of his kingdom and possessions. For example, there are mentioned 300 concubines, 1400 chariots, 300 shields, and 12,000 horses. Among more than 15 numbers mentioned, there is found one unusual

number — 666. Of the 11 numbers greater than 100 employed in this chapter, only one of these is not rounded to the nearest one-hundredth or one-thousandth or ending in zero. It is the number 666.

Secondly, the application and context of this number is ill-fitting. King Solomon's annual income in terms of talents of gold *"was 666 talents, not including the revenues from merchants and traders and from all the Arabian kings and the governors of the land."* (2 Chronicles 9:13-14, 1 Kings 10:14-15). The text clearly tells us that he had much greater revenues than 666 talents per year. Then why is the odd number of 666 used in describing his income? It would be just as strange to express ones hourly wage of \$10.00 as \$6.66 plus a whole lot more. In any case, it would be strange if Solomon's gold income were not to fluctuate from year to year.

Therefore, we should conclude that this number is also meant to provide a symbolic connection. It may simply alert us to the fact that King Solomon commanded a prosperous and opulent economy that then descended into idolatry and bureaucratic controls. It was not a "divine" economy but an enterprise of man with all its usual defects and troubles. In the end, the bureaucracy under Solomon ended up becoming a type of oppressor. Says one commentator, *"Solomon's success came at the high price of individual freedom and tribal sovereignty."*¹

The Simple Meaning of 666

666 surely is an infamous number among both Christians and non-Christians alike. However, before we comment any further, we best keep in mind Joseph Thayer's comment (*author of The Greek-English Lexicon of the New Testament*) concerning this number — *"six hundred and sixty six, the meaning of which is the basis of much vain speculation."* As such, we will not embark upon any such speculation and limit ourselves to the Bible's plain meaning. Anything else would risk misdirection.

That said, there assuredly is a lot of non-sensical and ludicrous speculation as to the meaning of this number. Even well-known Bible teachers make speculative associations, employing numerology, arbitrary calculations (*gematria*) and other twists of mathematics. One high-profile prophecy teacher with a large TV audience openly makes associations with the number 66 purely on the basis of the number values of English names. This is so spurious it can hardly bear comment. For one, this practice presumes that the English language must be used to unlock the meaning of a text originally written in Greek. This is the equivalent to saying that all people — whether Chinese or Swahili — must be required to first learn English before they can be allowed to read the Holy Scriptures. We forget that the Bible's

words were inspired in Hebrew, Aramaic and Greek. On this theory, we must all first learn these three languages before we can study the scriptures.

No doubt, many levels of meanings may be taken from the number 666. However, in essence, the Bible provides a fairly straightforward description. Said John the Revelator, *"If anyone has insight, let him calculate the number of the beast, for it is man's number. His number is 666."* (Revelation 13:18) Clearly, the beast and man are together indicted in this passage. It is man's number ... representing his systems and beliefs and idolatries. These happen to be enervated by the Prince of this World.

It should be noticed that the Revelator's mention of the number 666 follows right after the verses that inform us that the false prophet will attempt to induce everyone to take the mark of the beast: *"And he causeth all, both small and great, rich and poor, free and bond, to receive a mark in their right hand, or in their foreheads: And that no man might buy or sell, save he that had the mark, or the name of the beast, or the number of his name."* (Revelation 13:16-17)

There clearly is an obvious economic and financial connection. An idolatrous man-made system of control is likely indicated, implying self-sufficiency and a reliance upon earthly materialism. Systems such as these are destined for destruction or break-up as demonstrated in Solomon's kingdom. In this sense, we may see that a common spirit finds a connection with the later stages of Solomon's reign, the number 666 and the yet future prophetic events.

Thoughts to Ponder

No doubt, today, the world is experiencing a remarkable era. Around the globe, a new unified belief is gaining strength: Mankind's materialistic systems and globalism — in its simplest form, symbolized by the number 666 — is unstoppable ... or so most people think. A grand new gilded era of peace and economic prosperity seems assured. It would be tempting to agree.

Nowhere is this confidence more evident currently than in the fields of global finance, economics and globalism. The popular and celebrated view is that globalization is leading to another golden age for mankind ... the best and biggest ever ... far better than the previous time that a similar confidence emerged. That period was referred to as the Gilded Age, occurring between 1880 and 1914. It also was a period of rapid technological progress and advances in globalization. Unfortunately, it ended horribly when the First World War erupted.

Solomon's later reign of self-reliant commercialism and dependence upon a prosperous economy ended

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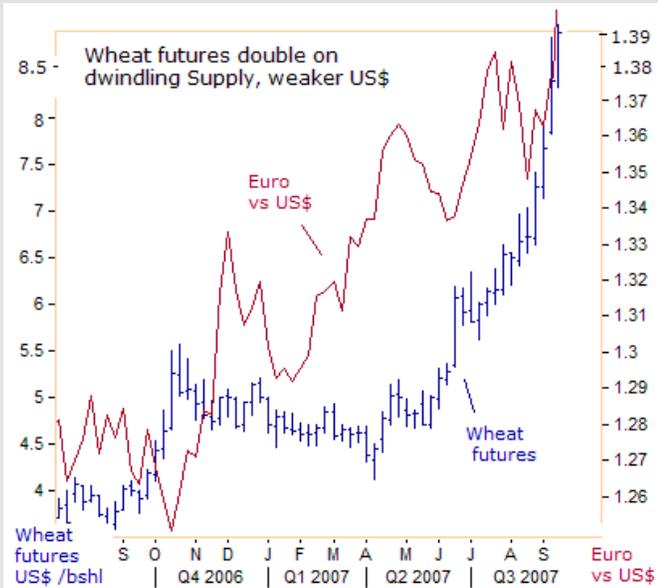
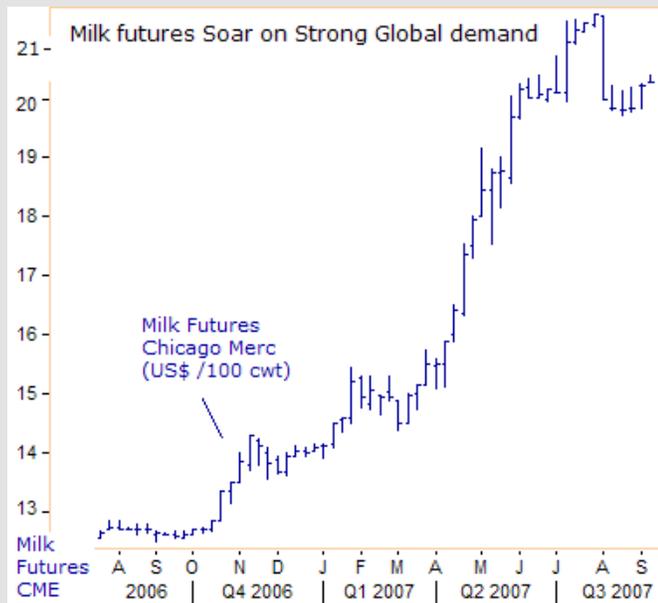
Ends 'n Trends: Signs of the Times

Rider on a Black Horse

I looked, and there before me was a black horse! Its rider was holding a pair of scales in his hand. Then I heard what sounded like a voice among the four living creatures, saying, 'A quart of wheat for a day's wages, and three quarts of barley for a day's wages, and do not damage the oil and the wine!'" (Revelation 6:6) That is the pronouncement at the time that the third seal is opened during the Tribulation period. That time is yet future. Described here is a time of rampant food inflation.

As it happens, a period of world-wide food inflation has begun (*see charts below*). Could it be connected to this Bible text? Given recent global financial developments, this question makes for an interesting study which we will carry in the next *EVR*.

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Source: Gary Dorsch, Global Monetary Trends

badly. So will the current one. The only difference is that today's "gilded" confidence is more swaggering, unified and globally pervasive than ever before. Its treacheries and deceptions are therefore also much larger and more dangerous. We surely are today experiencing the systemic rise of the 666 system that will very soon intersect with the prophecies found in Revelation 13.

All of this may not sound very uplifting and optimistic — again the doom and gloom ruminations of a pessimistic, austere, unloving Bible thumper. However, we can choose to view our current epoch from either of two perspectives: As did Abraham, "[...] *longing for a better country—a heavenly one.*" (Hebrews 11:16); or, as "*friends of the world.*" (James 4:4) Actually, the former is an optimistic view; the latter a pessimistic one. It is only "*friends of the world*" who have both feet firmly staked to hopes of a better and more comfortable place upon earth for a season, that will likely view the perspectives of a literally-interpreted Bible's as pessimistic.

Speaking of perspectives, have you ever wondered what that "*great cloud of witnesses*" (Hebrews 12:1) would think of our world today? Would they be observing mankind's crowning capstone of humanism and materialism rapidly taking form — man's systemic number of 666 coming into view? Would they be dismayed that mankind yet again is intoxicated by the vision of another Tower of Babel, saying "*let us make a name*" (Genesis 11:4) and determine our own destiny? Most of all, wouldn't that cloud of witnesses be most grieved to see how many supposed Christians have been thoroughly blinded by the golden promises and cares of our present age?

Seen within the broad fabric of long-term world trends — not simply in the short-term, but as would the great cloud of heavenly witnesses — evident is a human timeline that the Bible has long prophesied. Its ultimate fate has been prophesied through the prophets in no uncertain terms.

So we see that the systemic aspects of the "beast" symbolized by the number 666 are already operative in our day ... right under our very noses, so to speak. Some day, this beast that comes out of the sea will be headed by the Antichrist and used to oppress the entire world. However, to the believing and pure church, this will be of no concern. The Church — the Philadelphian church — will be kept from this future period. Christ said to the Philadelphians, "*I will also keep you from the hour of trial that is going to come upon the whole world to test those who live on the earth.*" (Revelation 3:10)

Note 1. Israel From Conquest to Exile, John J. Davies & John C. Whitcomb, 1989, BHM Books, Indiana, pg. 337

(Next, in Part II, we discuss the Bible's perspective on gold and its future role.) **EVR**

Gilded Ages— Part II: A Golden Future Prophesied

The topic of gold evokes interest today just as it always has throughout the millennia. Much of mankind's history has surely been motivated by the possession of this lustrous, fascinating metal. It plays a part in many famous stories—from gold-rich King Solomon, the Greek mythological tale of King Midas who had the “golden touch,” to the New World's Coronado and his quest for the Seven Cities of Cibola (*lost cities of gold*) and countless others. One would think that there must be lots of gold in the world today. Not so.

If all the gold presently existing above ground in the world were put into one place, it would amount to one solid cube the size of a doubles tennis court and 45 feet high. That glistening block would represent most of the gold ever mined in history. It is estimated that only about 15% of all gold ever produced has been either consumed or lost. The rest of it, whether unearthed from King Solomon's mines over 3,000 years ago or produced from the Barrick company's (*the world's largest gold producer today*) Porgora mine in Papua New Guinea last year, all remains accounted for and owned by some person or entity today.

Why the big attraction to gold? It is a rare and special substance, one of its most valued properties being that it does not corrode (*under natural conditions*). The only other metal that rivals gold's properties is platinum. However, platinum is very difficult to produce ... and is much rarer. The timelessness of gold and also the fact that it is only found in pure form in nature, are qualities much admired. In the Bible, gold is used to express ideas of purity, value and wealth.

Crucially, gold also plays a significant role in prophecy. Today's world, with its fiat and corrupt monetary systems, will want to heed what the Scriptures say about gold, especially its “last day” roles and possibly also its use during the Millennial period.

Unfortunately, there exist some serious misconceptions and false hopes about gold today. Not only do we want to tackle these issues, we also will direct our inquiry to the future role of gold—a very big one, indeed.

Current Misconceptions

This “late, great” era of human history—from a commercial point of view, we can call it the Age of Global Capital—is marked by world-wide fiat money and sophisticated forms of monetary corruption and theft.

Because of these conditions, many people seek a safe haven for their savings. Investors therefore value gold for what they believe is its property of “real money.” Come hyperinflation, perhaps a massive economic depression,

monetary debasement by corrupt governments or any other form of economic theft, gold will reliably hold its value “*in season and out of season*” they reason. Is this really the case? No ... at least not reliably. We could cite reams of supporting economic and financial history on this point, both ancient and modern.

The history of the past century alone will dispel all such comfortable notions. Quoting GaveKal, a well-known global economic consulting firm: “*Indeed, despite two or three world wars (whether one counts the cold war), a supposed massive debasement of our currencies (as the gold bugs like to say), hyper-inflation, and the recent gold rally, gold has returned a princely [total] -9% in real terms in 111 years.*” Suffice it to say that to this point at least, the supposed financial safe harbor of gold has been a myth.

Before going any further, it is therefore important to settle this point of “*false hope*.” In this present age, gold—as alluring and hopeful as it may appear—does not offer a sure escape from monetary corruption nor judgment. It may be a promising investment from time to time. It may even provide protection from the ravages of inflation during certain periods. But it will not provide assurance against a world “*where moth and rust destroy, and where thieves break in and steal.*” (Matthew 6: 20) It cannot. In the first place, we must remember that Jesus Christ still remains in heaven and that therefore this world still remains thoroughly corrupted. “*He must remain in heaven until the time comes for God to restore everything, as he promised long ago through his holy prophets.*” (Acts 3:21)

Gold in the Bible

Just what does the Bible say about gold today and its future roles, especially at the time that God “*restore[s] everything*”?

Tackling this gilded subject, we consider gold's role over five different eras: 1. Old Testament times; 2. The Last Days (*beginning with the revealing of the Church*); 3. The Tribulation period; 4. The Millennium, and finally; 5. The Eternal Jerusalem.

The Old Testament role was quite straight forward. Gold served as money or adornment. While corruption certainly existed—for example, people would shave gold coins, until they ended up as little more than nubs. But, gold remained physical gold and its value was not systematically destroyed nor manipulated through a fiat financial money system. In the previous article in this series, we briefly reviewed the time of King Solomon. It was the Golden Age of Israel. Solomon had lots of gold ... in fact earning 666 talents of gold per year and more. We concluded that the number 666 was of great significance.

We also have already commented on the evolution of

gold's role in the last days. That is our time—the period during which the “*spirit of the antichrist*” (1 John 4:3) and the Great Deceiver is working furiously. Gold plays a relatively minor part of what becomes a highly sophisticated and advanced Babylonian system. James, in fact, prophesies, “*Your gold and silver are corroded. Their corrosion will testify against you and eat your flesh like fire. You have hoarded wealth in the last days.*” (James 5:3) While there is much debate as to whom he is referring and to what exact period this prophecy applies, we can safely conclude that this process of “*corrosion*” is well advanced if not near complete. The judgment aspect of James’ prophecy (James 5:1-6) likely occurs during the Tribulation period (or perhaps also before the Bema Seat).

The Bible shines additional light upon the Tribulation period. Gold holdings will be of little help at that time. The Lord says, “*They will throw their silver into the streets, and their gold will be an unclean thing. Their silver and gold will not be able to save them in the day of the Lord’s wrath.*” (Ezekiel 7:19) Also, people will continue to hold on to their materialistic idolatries and corrupt financial systems despite terrible times. “*The rest of mankind that were not killed by these plagues still did not repent of the work of their hands; they did not stop worshiping demons, and idols of gold, silver, bronze, stone and wood—idols that cannot see or hear or walk. Nor did they repent of their murders, their magic arts, their sexual immorality or their thefts.*” (Revelation 5:20-21)

What role will gold have in the Millennial period? According to scriptures, we do know that gold will continue as a form of wealth. Several prophetic verses mention that wealth at that time will flow to Israel from the rest of the world. “*Surely the islands look to me; in the lead are the ships of Tarshish, bringing your sons from afar, with their silver and gold, to the honor of the LORD your God, the Holy One of Israel, for he has endowed you with splendor.*” (Isaiah 60:9. See also Isaiah 60:5, 61:6, 66:12)

Gold may also play a central part of the Millennial economic system. However, this aspect of gold would be more of a deductive conclusion. It seems not to be conclusively mentioned in the Bible. In any case, such interpretations from several prophetic statements involving gold, would depend upon their chronological placement. For example, the account of the war involving Gog (Ezekiel 37-38 and Revelation 20:18) is in this category. At the time of this event, gold is mentioned as being an asset worth plundering: “*Sheba and Dedan and the merchants of Tarshish and all her villages will say to you, ‘Have you come to plunder? Have you gathered your hordes to loot, to carry off silver and gold, to take away livestock and goods and to seize much plunder?’*” (Ezekiel 38:13)

Also, Isaiah mentions gold in relation to Israel. “*Their land also is full of silver and gold, neither is there any end of their treasures; their land is also full of horses, neither is there any end of their chariots.* (Isaiah 2:7) If the Ezekiel passage refers to the Millennial period, then gold can be seen to have a prominent role at that time. On the other hand, if these two scriptures are to be placed before that time, Israel can be expected to first become quite prosperous before the final events of the Tribulation come to a close. There is much debate on these points. However, it is true that Israel is certainly becoming prosperous today, and is a nexus point for significant financial wealth around the globe. (We certainly cannot determine whether Israelis are in fact hoarding gold and silver today.)

Finally, after the Millennium, the Holy City Jerusalem will descend to earth. (Revelation 21:10) It is a majestic edifice. “*The wall was made of jasper, and the city of pure gold, as pure as glass.*” (Revelation 21:19) “*The great street of the city was of pure gold, like transparent glass.*” (verse 21) We see that gold will be one of its main structural materials. Given the Holy City’s dimensions—for example, 12,000 stadia (1,400 miles) square and tall, its walls 144 cubits thick (*over 200 feet*)—it will require perhaps more than a thousand times as much gold as exists above ground today. After all, only a little more than 150,000 tons of gold are known to exist presently. And remember, all of it fitting on a doubles tennis court.

Golden Idolatry is Misplaced

Back to the present. There is an extreme idolatry—even a pseudo-religion—that has grown up around gold, especially so in North America. Indeed, there exists a sizable industry that likes to hock gold bullion and numismatic investments (*rare coins*) as if gold were God’s very own money and the perfect way to run a monetary system. Such claims are surely overstated. Gold is not the be-all and end-all to the world’s problem of corruption and sin.

Often, the age of the gold-standard of the late 1800s—when Britain was at the centre of global finance and the kingpin of the Gilded Age as the world’s strongest reserve currency—is held up as the great age of money stability. Actually, this era had its problems and accidents, too. The success of this period is heavily mythologized. There were problems, inflations and financial collapses during that period, as there are today. Writes, Guilo Gallarotti, “*Widely considered the crowning achievement in the history of international monetary relations, the classical gold standard (1880 – 1914) has long been treated like a holy relic.*”

We must also recognize that it was a different world then. Today given the interconnectedness and explosion of financial wealth, gold only plays a bit actor role in the world’s financial shenanigans. The entire value of all

existing gold today (*a little over \$3 trillion in US dollar terms*) amounts to only about one-half of 1% of the total financial “position value” of the world today. This is despite the fact that fifty percent of all gold in existence has been mined since 1960.

There are numerous conspiracy theories about the fate of gold. One expert, Dr. Antal Fekete, an intellectual heavy-weight when it comes to monetary theory and the roles of gold, currently argues that almost half of all gold has been siphoned off into private hands over the past 50 years (*meaning, moved outside the official monetary system.*) At one point, gold was mainly in the possession of sovereigns, nation states and their central banks. Where did all this gold go? Who specifically accumulated these amounts? It could be wealthy individuals or simply many thousands of ordinary investors. Could this development play a role in the near future? Dr. Fekete claims that a similar phenomenon occurred in the latter stages of the Roman Empire, just before its collapse.

On this point, the Bible agrees. Man’s monetary systems will collapse. “[...] *man will be brought low and mankind humbled. [...] The LORD Almighty has a day in store for all the proud and lofty, for all that is exalted and they will be humbled [...] for all the towering mountains and all the high hills, for every lofty tower and every fortified wall, for every trading ship. The arrogance of man will be brought low and the pride of men humbled.*” (Isaiah 2:9, 12-17)

Surely, a world monetary system based upon gold, which many advocate, would be better than the reckless systems that prevail presently. After all, money today is nothing more than a paper or digital electronic figment. For example, central banks around the world are creating foreign exchange reserves (*just one component of fiat money magic*) at a break-neck growth rate of near 30% per annum, far in excess of underlying growth rates of populations (*roughly only one-twentieth the rate*) and savings from income. Wall Street and its sister financial centers around the world may exult in this financial debauchery as they are earning enormous, unthinkable sums. Today, we observe that the business of making money from money—the basest form of human organizational systems—has become the largest industry in the world in recent decades.

Yet, gold would certainly not solve the problems of the world that results from mankind’s penchant for the “*love of money*” (1 Timothy 6:10) and greed. Gold was never the solution to such problems in the past, and neither will be in the future. “[...] *the cravings of sinful man, the lust of his eyes and the boasting of what he has and does.*” (1 John 2:16) remains the key propulsion of history and geopolitics. This hasn’t changed and will not until “*all things are restored.*”

Points to Ponder: What is the outlook for gold?

According to the Bible, indeed, gold will someday again have a prominent role—very possibly in the Millennial period, and surely during Eternity. It seems sure that the gold in existence today will pass into the Millennium, remaining intact. Of course, that information will be of no practical use for Christians living today.

Still ahead is the period, in which, “*Violence has grown into a rod to punish wickedness; none of the people will be left, none of that crowd—no wealth, nothing of value.*” (Ezekiel 7:11) All the while, “*‘The silver is mine and the gold is mine,’ declares the LORD Almighty.*” (Haggai 2:8)

For now, it is best to remember this one fact: Gold has not yet assumed its Millennial or Eternal role. Therefore beware. We live in a time of great deception and corruption. And, as such, try as the righteous might to make their way on this earth, the Bible says such conditions will continue to heighten until it meets its judgment. On this side of the Millennium, gold will remain manipulated as is everything else in the financial realm. Continuing as before, “*thieves break in and steal.*” (Matthew 6:19)

But, one day the restoration will come. Quoting Nathanael West, “*And only when the Antichrist is overthrown, and the future temple built to Christ from all ‘the precious things of all the nations,’ will the whole world’s wealth,—the treasure of the world, its ‘666 talents of the gold of Ophir’ be consecrated to His Service.*”

We will see that future restoration, probably looking down from above. In the meantime, we turn from all the false idols of gold that the world may flaunt, instead seeking “*purses for [ourselves] that will not wear out, a treasure in heaven that will not be exhausted, where no thief comes near and no moth destroys.*” (Luke 12:33) We, “*rejoice, though now for a little while [we] may have had to suffer grief in all kinds of trials. These have come so that [our] faith—of greater worth than **EVR***



The Fall of America and Chinese Cronyism — cont'd from back page

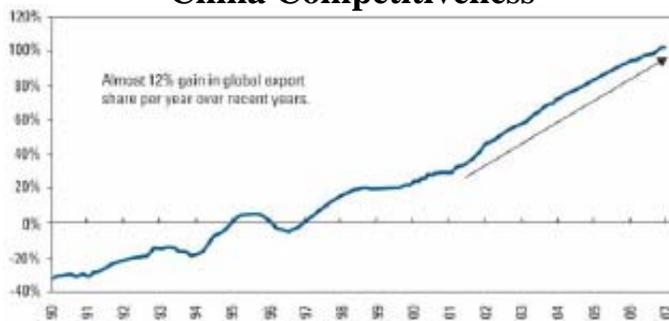
valid. Further illustrating our point with the China example, we ask this question: Just what entity has been the impetus behind China's export and trade surplus boom? The Chinese central communist party? No. It has been the marriage of opportunists — MNCs and Communist party cronies and individual profiteers. According to some estimates, at one time as much as 80% (now closer to 50%) of Chinese exports involve an MNC in some way or another. This occurs through direct investment in China by foreign MNCs, whether through production plants or joint ventures.

It has produced a marriage of mutual interest that appears to have gained momentum as a run-a-way train on a downhill slope. From behind the protective wall of a US dollar/Chinese Yuan currency link, US-based (*and other*) MNCs have been able to boost profits through outsourcing from China. It is important to see that these profits have been protected by this currency link. Lately, (*since mid-2006*) there has been some compromise on this lucrative situation as political pressures have risen. In America, the casualties amongst the disadvantaged industries and workers has become difficult to ignore (*i.e. low job growth and real income growth, rising household indebtedness ... etc.*) As a result, the Yuan has been allowed to float up ... slowly. The point to see is that there remains huge incentive for continued outsourcing and record-high profits of the MNCs.

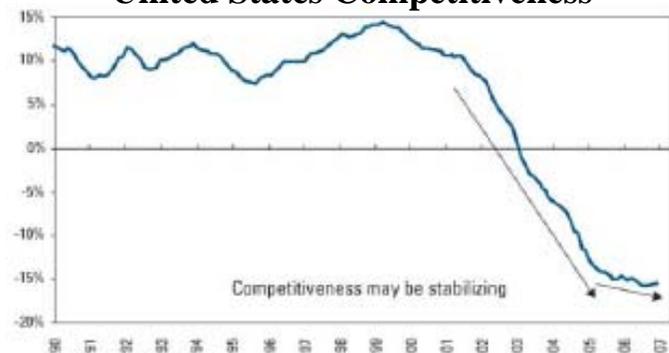
In China, on the other end, rampant corruption has played a willing handmaiden in this marriage. In many ways, the complicity of various players in China has evolved into an elaborate Multi-level Marketing (MLM) scheme. For instance, local officials can participate in huge pay-offs should they successfully attract the major investment of an MNC to their community or area. In fact, according to some reports, such officials are directly and officially incentivized to do so. There is a hierarchy of individuals that can participate in these pay-offs, both sanctioned and illegal. Again, the important thing to see is that there exists a powerful incentive to continue the status quo, that being boosting export growth (*meaning for America, continuing high trade deficits and global indebtedness*) and to intimately continue dancing with the MNCs. However, here again, given the fall-out of these activities upon the disadvantaged majority of its citizenry, the Chinese government now must be seen to be tilting against the feeding frenzy amongst party elites.

Interestingly, Beijing has recently announced an initiative to investigate all land deals that have taken place over the last four years. If this program was truly intended to uproot all corruption, it will be sure to strike right to the core "engine" (*China/MNC cronyism*) that is driving China's economic expansion and integration with the rest of the world. It is hard to believe that this

China Competitiveness



United States Competitiveness



Source: Bridgewater Associates

measure is anything more than symbolic. As regularly happens also in North America, only a few "sacrificial lambs" are prosecuted to satiate the perception that something is being done against corruption and runaway greed. However, it is a development to monitor closely. For if it is indeed a serious initiative, it could signal the end of the current phase of the Chinese boom.

All in all, this discussion does point to the fact that the recent wave of "crony capitalism" (*in America, China and elsewhere*) is beginning to run up against the constraints of popular protest. To a greater or lesser degree, it is illustrative of similar forces involving other lower-income, export-oriented countries. But even more critical, is the role of the MNC (*runaway greed on the part of some companies and individuals who are in cahoots with politicians*) who in the name of high profits are in bed with other nations around the world to undermine America's strength. It may be argued that "free trade" is good business. But this isn't about free trade. It is about a manipulated agenda that is serving to weaken America at a very critical time given the current state of world geo-politics. Christian dispensationalists must surely understand the signs of the times.

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

Wilfred J. Hahn

Personal Perspectives

The Connection Between The Fall of America and Chinese Cronyism

Now, that the world's largest economy is afflicted with slowing business and a deeply-mired housing situation, the focus now shifts to the rest of the world. Will recent problems in credit conditions spread abroad? Will the rest of the world also experience a slow down? The answer to the first question is already evident in the affirmative.

With respect to the second question, supposedly the hope is that the rest of the world can decouple from the credit troubles in the West. In this respect, China, with its 10-12% economic growth rates and a surging stock market is the poster child of this hope.

Yet, China is also in the later stages of an unsustainable bubble. Where are its feet of clay? There are evident a number of vulnerabilities. However, it will be useful to first gain a macro perspective on the underlying framework that has driven the Chinese growth miracle since the days of Premier Deng Xiaoping in the late 1970s. As is well known, in the process, America has become financially vulnerable to this nation as China has become its largest creditor. Already, this condition (*also involving the oil exporting nations, Japan and other high growth exporter surplus countries*) has caused a loss in America's sovereignty over its own interest rate levels.

Just how did this unfortunate situation occur? Why was it allowed to occur? Let's focus in on this question, particularly focusing upon China.

China's great economic success and rise to status as a world trade colossus (*it now accounts for the largest amount of trade with America ... even greater than Canada or Japan!*) is dependent upon an implicit deal made with the "gweilos" (*Chinese for foreign devils*). Here we mean the foreign MNCs (multi-national corporations). It always was as such. The main underlying force of the credit-stimulated globalization of the past several decades (*if not more*) has been a form of international crony capitalism involving the interests of multi-national corporations (MNCs).

There should be no delusions about where the major sources of real economic power reside in the world today. Among these is the MNC. In fact, at this time, it could be argued that it is the most powerful influence. Few people realize how influential this creature behemoth has become in world affairs over the last few decades. We have commented upon this evolution

before. Though MNCs have been around for four or five centuries — some argue even earlier, citing the Roman Catholic church as a candidate — the modern-day MNC has really only been a phenomenon of the past 50 years. In the early 1950s, the MNC accounted for only 2% or so of global economic output. Today, this figure may be anywhere between 20 and 50%.

Of course, most people would argue that the MNC is a beneficial, benevolent force for economic good. No doubt, many MNCs aspire to such goals. But viewed together, the MNC — the large global, interconnected corporate structure, in other words — has become the mightiest behavioral system in the world that can command immense obedience from legions of people. We won't belabor these perspectives in great depth here nor quote rafts of supporting statistics from the latest UNCTAD report on international investment.

But consider that even such latecomers to market-capitalism as Russia, have quickly learned to recognize and use the power of the MNC. The only difference is that they have been less covert about this force, as is more the norm in Europe and North America. Russia has eliminated the need for an expensive "lobby" apparatus which would have been largely funded by business interests in any case. For example, consider that Russia's Gazprom, the world's largest natural gas producer, is clearly a policy-implementation tool for the Putin-led government of Russia. In other countries, commercial interests attempt to determine or influence public and political policy. In Russia, it is the other way around. MNCs are used to implement policy initiatives of the Russian government.

Whatever the case, it remains that MNCs are powerful. Some even argue that these corporations should be called upon to handle such tasks as international terrorism control, national security and other such functions which are normally the domain of sovereign states. The point to see today, is that whether in Russia or the West, MNCs and government are inextricably intertwined. Which one wags the tail is not always certain. That brings us to another interesting form of MNC politics witnessed today in China.

MNC Meets China

While many global observers might rail against the growing trade imbalances with China, it actually touches upon a central underpinning of the global MNC and the abnormally high corporate profits of late (*in the US as measured in relation to national income*). We realize we are generalizing here, but the central kernel remains

... continued on page 9



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