



# ETERNAL VALUE REVIEW

## MONEY MONITOR & GLOBAL TRENDS REPORT

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"For thinking Christians seeking to understand the times."

DECEMBER 2009

## FEATURE REPORT

### Ten: The Magic Number of Endtime Post-Globalism

“The problems of the world are huge and they cannot be ignored: terrorism, war, starvation, displacement, climate change, nuclear proliferation, trade inequality and financial crisis. The old way hasn’t always worked. Perhaps Mr. Naím has a point. Maybe the magic numbers work?” We have here quoted an international economist who is responding to a new idea regarding global governance.

To what magic numbers is he referring? Actually, he is wondering just what is the right number of countries needed to solve the world’s problems. Is it the Group of 20 nations (G-20), the G-8 or some other grouping? Or, in fact, could it be a group of 10... the exact number of the last-day 10 kings that the Bible prophesies will give their authority to the Antichrist? (Revelation 17:13).

To provide more background, the above-quoted comment was in response to a provocative and insightful article written by the influential Moisés Naím, the well-known Editor-in-Chief of *Foreign Policy* magazine and former executive director of the World Bank. Interestingly, Mr. Naím recently began advocating a new concept—global unilateralism. (We will explain this term shortly.)

Though he may not realize it, he strikes upon a very important eschatological issue. His recommendations fit hand in glove with Bible prophecy, but not necessarily in the way popularly thought. He is talking of a world that is moving to a post-globalism state. How can this be? Isn’t globalism a prophetic development? Then just what is this “unilateralism,” and why should we care? We will investigate.

#### World Now Moving to Post-Globalism

Globalism is certainly a hot topic of late.

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### U.S Dollar Index Relative to Gold Plumbs to New Lows

U.S. Dollar Index Divided By USD Gold Price



“[...] you who say, ‘Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money.’ Why, you do not even know what will happen tomorrow.”

James 4:13-14

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#### WORLD MONEY UPDATE

### Global Pump & Dump

The spadefoot frog makes its home in Australia. It is an explosively breeding, desert-dwelling amphibian. It may burrow underground for years, waiting for a seasonal rain or flood. However, when this “liquidity event” arrives, a period of frenzied mating ensues. Incredibly, in a space of as little as a month, its eggs advance through the tadpole stage to full metamorphosis. It needs to quickly reach adulthood before the pools of water again dry up. Fascinatingly, as the water puddles begin to get tepid and shallow, the tadpoles grow teeth ... 3 rows of them. They then start eating each other to accelerate their development. Eventually, the surviving frogs must go back underground to survive the next dry season.

Does this story remind you of today’s capital markets ... frenzied and with 3 rows of teeth? It makes an apt allegory for the explosive financial market rallies witnessed to date this year around the world. From the March 9<sup>th</sup> lows, global equity markets have soared 70% (in USD terms) and more,

... continued on next page

flushed by a veritable flash flood of government and central bank sponsored liquidity and bail-out money. Corporate takeovers have returned, companies again gobbling each other up and some investors have been victors, others the casualties. Such torrid volatility, fears and confusion taxes even professional Wall Street portfolio managers.

However, by no means are the financial and credit market recoveries to date an indication that “all is clear.” Far from it. Intractable problems remain. In many ways, some global conditions are now worse than before.

Following the Great Global Unified Response to the Global Financial Crisis (GFC) we are coming to the end of the first “huff and puff” stage.

Odds are that governments and supra-national agencies will soon need to inhale for another round of stimulative blowing. No doubt, economic activity levels around the world have been recovering modestly, but the “huff and puffing” is clearly running out of air. Moreover, the “baby boom” generation (which had it so good for so long) is struggling to understand the deflationary debt dynamics here in the West. On the one hand, the Keynesian-influenced schools of thought are convinced that low interest rates and heavy government deficit spending will ensure a recovery as always.

“Forget the *debt* torpedoes ... full speed ahead!” A legacy of enormously higher government debt levels can be survived say the fiscal spendthrifts. And so, during the course of the Global Financial Crisis, the total stock of sovereign debt worldwide will have risen by nearly 50% (between 2007 and 2010) to \$15 trillion.

On the other side are found the analysts who have studied the credit contractions of Japan and other countries in history, read the Austrian School economists, and Irving Fisher’s famous debt deflation thesis treatise (*The Debt-Deflation Theory of Great Depressions - 1933*). They are convinced that periods involving credit contractions are a different beast. The lighthouses of “statistical tradition” and

“economic thought indoctrination” (namely, the “quantitative” economic models born of the typical post-WWII economic cycle experience) have been moved and are giving off erroneous navigational information. These historical “lighthouses” are simply not relevant. Cogent analysts recognize that there can come a point where no amount of government largesse and cheap money can then resurrect the collapsed veins of over-indebted households.

We likely are now at an important fork in the road. Above all, it is key to recognize the changing nature of the time ... how unprecedented are trends and developments, how values and expectations have changed. Firstly, consider the recent G-20 meetings. It was only a year ago or so that this forum emerged as the new “global savior” that would coordinate the actions of the world’s most influential nations in response to the GFC. Significantly, since then, international consensus has again deteriorated. The G-20 as an effective policy-making body is now “dead on arrival.”

While it was of great significance that the world was moving to “multi-polarism” (China, Brazil, Russia, India and others now at the policy table with the traditional G-7) it is now clearly revealed that there is no common consensus. The vested interests of the major players and contradictory recovery policies have rendered the G-20 policy forum as useless. This signals new dangers ahead.

Another notable development is that for the first time in modern memory (perhaps with the exception of Japan’s interventions more than a decade ago) major nations in the world are adopting the “pump and dump” techniques of penny stock promoters. The idea has been to use government money (and that of other participating conspirators who are in on the scheme) to create an uptrend in financial asset prices sufficient to rebuild confidence. After all, confidence had been a necessary energizing elixir of prior asset bubbles — equities, credit market risk and real estate — and not real drivers of real wealth.

The general idea is that as soon as a durable up-trend seems apparent, then, the promoter (government) and his accomplices (the big, politically-plugged-in financial institutions?) get their money back or make off with the profits, by selling these assets back to the private sector. Who will be the ultimate bagholder? The reality is that governments will not make any net recoveries on the toxic assets that they have bought. In the end, one way or another, the bagholders R’ Us.

What also is significantly different today is the emergence of geopolitical financial gaming. Consider that China, though supposedly still a developing nation according to the rankings of the World Bank, has been a remarkably savvy player in geopolitical economics. When was the last time that a government encouraged hoarding of commodities and strategic stockpiling on the scale witnessed over the past year?

Chinese imports of iron ore and other metals this past year are truly stupendous, far exceeding import volumes at the pre-GFC peak. Who can argue that this is not a brilliant way to insulate against its depreciating dollar hoard ... buy



ETERNAL VALUE REVIEW  
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USD denominated commodities and drive them up in price? Whatever the motive, the fact remains that this qualifies as a “global macro” factor not driven by the laws of normal economic supply and demand. Clearly, China does not play according to the conventions of the West. In fact, it is a challenger to the West. The actions and statement of this nation confirm this perspective. Said former Chinese central bank adviser, Yu Yongding, “I wish to tell the U.S. government, ‘Don’t be complacent and think there isn’t any alternative for China to buy your bills and bonds. The Euro is attractive. And there are lots of materials we can still buy.’” Indeed, they have been buying a lot of materials.

This statement clearly validates what we have long discerned ... the onset of the age of Geopolitical Finance. This is a key difference as compared to the experience of the past 30 years. That was the era of the global “love in” and generally-harmonious globalization. Cross border capital flows and trade in goods and services boomed. The impediments to capital flows were dismantled. Now we have entered the post-globalism era (see *Feature Article* in this issue for further views).

Finally, global efforts to bring in new regulations that will serve to reign-in the previously reckless behaviors of the world’s financial sector are also being weakened. To date, global re-regulation initiatives have not yet culminated in any significant changes. To the contrary, perceived prospects of global economic recovery (and sharp snap backs in financial markets and pricing of risk) already are supporting arguments for the status quo. The financial sector (recipient of billions in taxpayer bailout money) is again stridently arguing that it should not be limited or more regulated. Why? They claim that the sooner its sector can again make high profits, that this in turn will lead to high economic growth for everyone around the globe. Already, this industry — having nearly disappeared down a dark hole only a year ago — is back to paying enormous executive bonuses. It appears that an even greater crisis will be needed to reinforce the urgencies of only a year ago.

John Kenneth Galbraith once opined: “There can be few fields of human endeavor in which history counts for so little as in the world of finance. Past experience, to the extent that it is part of memory at all, is dismissed as the primitive refuge of those who do not have the insight to appreciate the incredible wonders of the present.” Witnessing recent developments, he couldn’t be more correct.

As for the implications of America and other Western nations, the prognosis has been obvious to us for a long time. Only recently, is this prospect more apparent to a broader audience of observers. Quoting Martin Wolf, the well-known economics columnist of the *Financial Times*, “Yet we also cannot escape from an ‘inconvenient truth.’ Neither the UK nor the U.S. is quite as wealthy as it once believed. There are losses to be shared, much of which will fall on public spending, taxation, or both. Once it becomes evident that neither of these countries can rise to the challenge, fiscal crises are inevitable. It would only be a question of when.”

**EVR**

**Ten: The Magic Number of Endtime Post-Globalism ...cont’d from pg. 1**

Recent confirmations that the Group of 20 (G-20) is now the prime policy body in the world is evidence to many observers that globalism is indeed forging ahead. Whereas smaller groups such as the G-7 determined global policy direction in the past, this power nexus has now moved to the G-20 forum, which also includes such countries as Brazil and China. Quoting one of literally hundreds of comments from international relations experts, “A striking outcome of the global financial crisis has been the substitution of the G-7 for the G-20 as the key forum for international coordination.”<sup>1</sup>

Widely seen, this is a clear step in the direction of globalism. Most certainly, the recent G-20 proceedings held in Pittsburgh, United States, produced many boastful statements about the new resolve and capabilities of this august group. It seeks to solve problems it has defined from Global Warming to global financial instabilities. Will it be successful? It is almost certain that it will prove to be another ineffectual group, its great pronouncements nothing more than theatre and pomp. At this point, there is virtually no consensus as to why global imbalances and the Global Financial Crisis (GFC) occurred in the first place. With such confusion, how could they agree on solutions?

Bible prophecy backs up this opinion. In fact, globalism is not the final, exclusive power organization of an endtime world. We can already today see evidence that this shift could happen very soon. To explain why, let’s first review the concept of globalism.

### **Globalism: Prophetic but Overdone**

Referencing some common definitions: “Globalism is an ideology that emphasizes the current trend toward international organizations and institutions.”<sup>2</sup> Says the Merriam-Webster dictionary, it is “a national policy of treating the whole world as a proper sphere for political influence.”

Many debate and write about globalism’s implications for mankind—whether beneficial or disastrous. Though the term “globalism” is a new one (the word only coined as recently as the 1940s), countless thousands of books and articles have been written on this topic. Indeed, the world itself has become a political podium, the actions of most individual nations postured for a global audience. Yes, the “global village” is getting smaller by virtue of becoming more connected financially and economically (this being globalization). There is also convergence of ideology and culture, though not as advanced as global trade and financial systems. And, of course, globalism is a topic that is a favorite of many conspiracy theorists.

To be clear, the Bible clearly does prophesy that globalism will take place in the last days. God pronounces his last-day judgments upon all the nations collectively, as they are all engaged in rebelliousness, are pursuing similar ideologies and together rise up against Israel. For example, “Come near, you nations, and listen; pay attention, you peoples! Let the earth hear, and all that

is in it, the world, and all that comes out of it! The LORD is angry with all nations; his wrath is upon all their armies. He will totally destroy them, he will give them over to slaughter” (Isaiah 34:1-2).

From prophecy we can deduce that the world would have forums such as the United Nations and global media networks that would be representative of world opinion and consensus. When Balaam prophesied, “For from the top of the rocks I see him, and from the hills I behold him: lo, the people shall dwell alone, and shall not be reckoned among the nations” (Numbers 23:9, KJV), this presumed that the world—“the nations” collectively—was united in not “reckoning” Israel. As it happens, that state of affairs exists today.

Yet, while globalism in the sense already defined does occur and persist, the world in fact does move to a post-globalism state. Here, we can rely on Biblical proof. The “global parliament of man,” as Alfred Tennyson called it<sup>3</sup>, will not rule the world in the end. Globalism is not the last state. Then what is? Actually, there are yet two regimes that come after—minilateralism (Naím’s word invention) and autocracy ... the form of government in which the political power is held by a single, self-appointed ruler.

### Two More Regimes Follow Modern Globalism

The last state of world rule is represented by the 8<sup>th</sup> king mentioned in Revelation 17:11. He follows 7 previous world gentile ruler kings that are shown as heads in John’s vision of the 7-headed beast that is ridden by the prostitute in Revelation 17. This image depicts consecutive dominating nation states and their founding kings. The 8<sup>th</sup> king is the Beast himself. But though he belongs to the seven (verse 11), he also comes from among the last-day 10 kings. He is the “little one, which came up among them” (Daniel 7:8).

Therefore, it is the 10-king period of rulership that is next to appear, not yet this final 8<sup>th</sup> king who will rule the world (this being the Antichrist). The 10 kings precede the Antichrist, as Daniel makes clear, in no uncertain terms: “The ten horns are ten kings who will come from this kingdom. After them another king will arise, different from the earlier ones” (Daniel 7:24). In conclusion, the 10 kings collectively represent the 7<sup>th</sup> head, which follows the 6<sup>th</sup> Roman head—but preceding the Antichrist, who then becomes the 8<sup>th</sup> beastly king.

All of this makes for a fascinating study. Unfortunately, we can only touch on a few of the salient points here. The important point to recognize is that the next stage of world rulership will be represented by a 10-nation coalition, though it will only be in existence for a very short period (Revelation 17:12). It has yet to appear. As close as it may be, it does not yet exist.

### Why Might Globalism Be Superseded?

Obviously, a state of affairs where a coalition of 10 nations rules the world stands against the implicit goal of globalism ... the idea that all mankind and nations are

unified in determining the world’s fate. But why? Something additional to globalism takes place.

Now, let us allow Mr. Naím to speak:

*“When was the last time you heard that a large number of countries agreed to a major international accord on a pressing issue? Not in more than a decade. The last successful multilateral trade agreement dates back to 1994, when 123 countries gathered to negotiate the creation of the World Trade Organization and agreed on a new set of rules for international trade. Since then, all other attempts to reach a global trade deal have crashed. The same is true with multilateral efforts to curb nuclear proliferation; the last significant international nonproliferation agreement was in 1995, when 185 countries agreed to extend an existing nonproliferation treaty. In the decade and a half since, multilateral initiatives have not only failed, but India, Pakistan, and North Korea have demonstrated their certain status as nuclear powers. On the environment, the Kyoto Protocol, a global deal aimed at reducing greenhouse gas emissions, has been ratified by 184 countries since it was adopted in 1997, but the United States, the world’s second-largest air polluter after China, has not done so, and many of the signatories have missed their targets. The pattern is clear: Since the early 1990s, the need for effective multicountry collaboration has soared, but at the same time multilateral talks have inevitably failed; deadlines have been missed; financial commitments and promises have not been honored; execution has stalled; and international collective action has fallen far short of what was offered and, more importantly, needed. These failures represent not only the perpetual lack of international consensus, but also a flawed obsession with multilateralism as the panacea for all the world’s ills. It has become far too dangerous to continue to rely on large-scale multilateral negotiations that stopped yielding results almost two decades ago. So what is to be done? To start, let’s forget about trying to get the planet’s nearly 200 countries to agree. We need to abandon that fool’s errand in favor of a new idea: minilateralism. By minilateralism, I mean a smarter, more targeted approach: We should bring to the table the smallest possible number of countries needed to have the largest possible impact on solving a particular problem. Think of this as minilateralism’s magic number.”<sup>4</sup>*

Cutting to the nub of Mr. Naím’s argument: Today’s multilateral “globalism” amounts to little more than “beating the gums.” It is ineffective ... there is no accountability ... no power to enforce change. He is saying that a small group of powerful nations—not the global, toothless forum such as the United Nations with its 192 members—should therefore dictate global agendas.

But why is this important and necessary? Well, to Mr. Naím’s mind, because the world faces huge, disastrous problems that must be fixed. These emergencies—present

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## Signs of the Times



### Prophetic Timelines in Today's Global Financial News

**W**hat prophetic significance can we assign to the recent chapter of the Global Financial Crisis (GFC)? While we have dealt with this question extensively over the past year and more, it remains fascinating to observe the pattern of its continuing fall-out upon the world. Its effects are far from over.

While the GFC certainly was not the greatest destructive financial event ever known to mankind, its timing and impact are surely unprecedented and significant. Prophecy scholars can be forgiven for being tempted to super-impose current events upon the eschatological time line laid out in the Bible. Of course, we need to be exceedingly careful here about any such conclusions derived in this way, as these in essence are speculative. All the same, the general trend of geopolitical developments over the last 50, 100 years and more cannot be denied. These clearly align or point to endtime developments and global conditions described in the Bible.

#### Things Heading East

China has emerged as one of the strongest economic forces in the world, especially as this country appears to have weathered the sharpest global slowdown since the 1930s with aplomb. Whether or not China has manipulated an appearance of economic resilience over the past few years, its rapid ascension is increasingly driving a wedge between Japan and the U.S. Why? Japan has run out of room. Its government debt levels now are amongst the highest in the world even as it has an aging population. It needs to align itself with China, a nation that has the potential of a large, untapped work force (as its poor country-side population moves into city centers and enter the production work force) and possesses a large trade influence. Japan's share of trade with China in 2008 was 17.4% (as compared to only 10.4% in 2004). Without a doubt, rising exports with China has helped Japan's economy survive its recent plunge in trade with the U.S. The same trend is evident with another major Asian trading nation, South Korea. In 2002, the U.S. in comparison took 20% of South Korea's exports. In the first 10 months of 2009, America's share dropped to 10.5%, while China accounted for nearly 24%.

In Japan, the new Prime Minister, Yukio Hatoyama, is contemplating to forge a trade group with China and South Korea. Says, economist Masaru Kaneko of Keio University, "There's a consensus among policymakers that Japan can't rely on relations with the U.S., because Washington's global influence has diminished.

Asia is forming its own influential axis and will eventually leave America dangling, especially, as the U.S. falls into greater indebtedness and long-term economic

stagnation. However, the rise of Asia can also seen to be a factor pulling Europe into its future.

Europe today faces enormous pressures as a result of global trends, economic challenges and transitional monetary pressures. Here a few quotes from a recent article by Carlo Bastasin of the influential Peterson Institute.

*"In a world where the exchange rate of the dollar and the renminbi (China's currency, also called the yuan) are "governed" for domestic purposes, Europe risks being caught as a scapegoat for other countries' imbalances. The lack of a proper currency policy is the most intuitive argument in favor of establishing a political governing authority in the euro zone. [...] new and more subtle reasons are emerging for establishing a political head on top of the euro zone economic shoulders. There are two reasons for this. One is that the ECB (European Central Bank) must be free to pursue its only statutory objective, low inflation, which means that it should avoid increasing the monetary base through the purchase of government bonds under political pressure. The second reason is that (some) euro zone member states do not want to share a common fiscal responsibility. Nor do they want to issue common bonds. As a consequence, euro-denominated bonds lack the guarantee of a central bank that in a crisis situation could be able to print money and buy euros even if only for stabilization purposes."*

What does that rather technical opinion really mean? Europe must continue to move closer politically if it is to successfully manoeuvre between the stresses of a stagnating U.S., an economically-rising Asia and an independent China that continues to grossly manipulate its currency. )Analysts suggest that China's yuan is some 50% undervalued against the U.S. dollar.) All in all, we can see that the Global Financial Crisis (GFC) continues to exert its monumental influences upon the world.

There are no shortage of trends visible today that align with the Biblical view of a world moving towards multipolarism (see this issue's Feature Article for a more in-depth treatment of this topic) as well the possible impetus that will urge 10 kings (rulers) out of the world's Roman-sphere to make an unprecedented alliance. Just what endtime events cause 10 kings to come together and form a "global power coalition? (See our 3-part series, [Last-day Global Power Coalition: Searching for the Last-day 10 Kings](#) for an in-depth analysis of this topic).

The answer? We cannot yet exactly know for sure. While we may want to indulge our speculations, the fact remains that even global secular trends can suddenly veer into reverse for a time. If this occurs, it should not be a surprise, as this pattern ... two steps forward, one step back ... is a frequently-observed pattern within longer-term trends. Yet, at the same time it should not go unnoticed that recent world events, accelerated by way of the GFC, are not contrary to the Bible's prophetic timeline. While there can be setbacks, sudden acceleration is also possible.

**EV**

**Ten: The Magic Number of Endtime Post-Globalism ...cont'd from pg. 4**

and potentially future—therefore provide the imperative for a smaller group of nations, who together have dominant power, to seize the global agenda.

This is an earth-changing perspective. Yet, it fits the current and coming times. It is very possible that the Global Financial Crisis (GFC) stands to be a major catalyst to this new state of world rulership.

### **A World Set-up For Domination**

It is a fact that power in the world today is not equally distributed. Global power has many forms. We can categorize them into two broad types—Hard Power and Soft Power. Soft Power includes various forms of world influence. Here can be numbered memberships on world transnational organizations such as the International Monetary Fund or NATO (and a host of many others), or influence upon world culture. Hard Power, by comparison, is more direct and can include such factors as military might, the size of world trade in goods and services, a country's relative population size and so on.

Two obstructions stand in the way of the emergence of the 7<sup>th</sup> head of world rule, this being the 10-king Global Power Coalition. The first is that one nation today is still a superpower. This is the United States. For the most part, it can do as it wishes and need not comply with the rules set by world multilateral organizations. Before a 10-nation coalition can rule the world, it will require that the distribution of power in the world be relatively leveled out among the leading nations. Whatever the allied group that will seize world power, it must collectively be able to overcome any superpower. Otherwise, it could not exist uncontested. This development is called “multipolarism” and is already well underway. (Please see the 2-part series entitled “Endtime Shoe: Fitting the World for Ten Toes”—MCM, January and February 2009—for a detailed review of this development.)

The second structure that obstructs the emergence of a 10-nation Power Coalition is as Mr. Naím already described—the ineffectiveness of today's globalism, which involves every country, whether significant or a small nation-state on a pacific, tropical island.

The logical path therefore, is both multipolarism and minilateralism. The former broadens the power and neutralizes the lone superpowers; the latter centralizes global power to a smaller group, thereby circumventing globalism's organizational mire. As Goldilocks observed, something in the middle is needed ... it will be a beast but not a “baby bear” nor a “papa bear,” but a “mama bear.”

### **The Power of Ten**

How many nations will it require to reach a position of global dominance? Not many ... certainly not 20. Why? Consider the distribution of various economic, financial and other power measures in the world today. Of the many factors that we could outline, reflect on the following:

- The 10 largest economies in the world represent 68% of world output.

- Concerning world government debt, 10 nations account for 79%. Interestingly, the bigger economies in the world are actually more indebted than the rest of the world. That fits with prophecies that suggest the final ruler will be indebted (Habakkuk 2:6-8).
- The countries with the 10 largest stock markets account for 75.4% of world value in dollar terms (end 2008).
- The 153 members of the World Trade Organization represent about 95% of world trade. The nations that are the top-10 global exporters of goods and services alone account for 53%.<sup>5</sup>
- The 10 most populous nations in the world account for 66% of the world's population.

No matter which measure we may use, we will find that it only requires 10 or so nations to reach a majority or balance of dominance. We see that the nations of the world are already ideally aligned for the emergence of the prophesied multipolar, minilateralist state shown as the 10-king Global Power Coalition.

### **Along Comes the Global Financial Crisis**

World policymakers and financial economists are hopeful that the new initiatives set by the Pittsburgh round of G-20 meetings will lead to resolution of the Global Financial Crisis. I believe that such expectations will be sorely disappointed. The G-20 has no means of enforcing the implementation of its resolutions. The actions of individual countries will continue to be driven by the interests of their own domestic political agenda. Self-interests will inevitably rule and in some cases, stand directly counter to the stated goals of the G-20.

Actually, this is already the case and cannot be denied. Currently, the interests of various major countries couldn't be more opposite. For example, in some respects, the interests of the United States and Europe are opposite to that of China and India. These two nations, accounting for approximately two-fifths of the world population, see it as necessary to continue to expand trade. China and other Asian countries deliberately keep their currencies low to ensure that their exports are competitively priced. This in turn causes Americans to lose jobs and external deficits to remain high. The U.S. and other advanced members of the G-20 want China to encourage its citizens to spend more on consumption and export less. In the meantime, North American consumers love the cheap prices of imported Chinese products that they can buy at Wal-Mart. How to resolve this issue? There are many more intractable problems that will not be resolved by the G-20.

As it is, China (most likely also India and Japan) and some Middle Eastern countries such as Iran will not be part of the 10-nation coalition. This can be deduced from Bible prophecy. They are neither nations comprised of Roman peoples or their offshoots, or already were kingdoms in power at the time that John received the prophecies of the book of Revelation. He prophesied at that time that “The ten horns you saw are ten kings who have not yet received a

kingdom” (Revelation 17:12). As China already existed then, it is not one of the countries that will be part of the 10-king group.

### Thoughts to Ponder

It is during the reign of the 6<sup>th</sup> head on the beast—the first Roman-people-lineage era—in which we are living today. Globalism has flourished to its late-date state. Now, we are likely very near embarking into the 7<sup>th</sup> head era, which is ruled by a 10-nation coalition.

It could very well be that the Global Financial Crisis and its future fall-out will prove to be the catalysts that will bring the world to a state of unilateralism. In the meantime, such countries as China and other emerging nations are fast accumulating economic power. Already, the economies of the non-advanced members of the G-20 nations have surpassed that of the advanced members. It is quite possible that the entire east-Asian orb of nations along with China could be in opposition to the final 10-kings. This very development could be seen to actually hasten the 10-king formation. In such a scenario, these 10 nations would need to ally themselves against any opposition before it is too late.

Unilateralism is not as cute or toothless as the prefix “mini” implies. The concept of unilateralism for the time being is meant by Mr. Naím as a collaborative, peaceful process. In the end, however, it is more likely to result in policies of exclusion and oppression.

### NOTES

1. Agnès Bénassy-Quéré & Olena Havrylchuk, “G-20, Not G-7,” *RGE Monitor*, September 25, 2009.
2. Wikipedia, Accessed Sept. 28, 2009, <http://en.wikipedia.org/wiki/Globalism>
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4. Moisés Naím, “Unilateralism,” *Foreign Policy*, July/August 2009.

**EVR**

### Wilfred’s Itinerary: *The Mulberry Ministry*

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**Gold: What’s All the Fuss?**

...cont’d from pg. 11

To sum up, just why should gold be such an attractive investment right now? Most people, of course, would answer this question quite simply: Because it is going up in price! Well, yes, that has been obviously the case looking in the rear view mirror. Gold may indeed get caught in a psychological updraft for no other reason than the hyped and emotional fears of the masses for a time. However, as we have pointed out, it is not a one-way bet as may be popularly presented. Even as gold prices have risen, the very seeds of its future collapse can already be discerned.

Financial trends are highly deceptive and rarely reward the frenzied masses. What to do? Firstly, stay rational. Being a wise steward means that one must strive to make reasonable, balanced decisions ... not emotional ones. No matter how sure one might about any investment or endeavour, it makes sense to diversify one’s investments. Why? Absolutely nothing in the world of money is certain.

### Gold Price Highs & Lows

Comex Gold, Continuous Near Month Contract, USD



Source: [www.sharelynx.com](http://www.sharelynx.com)

Secondly, do not allow yourself to be swayed by the fact that the person from whom you are receiving advice is a Christian (or may claim to be one). That may seem a harsh warning. There indeed may be good reason to trust your advisor, yet, it remains a fact that Christians are no more accurate predicting future investment market trends than anyone else. In fact, it would not be surprising if they were worse. Why? Markets are amoral and treacherous. Why should Christians excel in such environments? Keep in mind that the sharpest brains in the investment world are frequently proven wrong. To wit, almost the entire economic and financial community didn’t see the Global Financial Crisis coming. Why should the majority of them be right in their prognostications about gold in the future?

The bottom line? Don’t get carried away by the pitchmen and cheerleaders for gold who want you to take out a mortgage on your house and to load up on gold-related investments. That is not prudent. Rest easy. Diversify your retirement portfolio, never bet, nor expose yourself to possible losses that you cannot comfortably sustain. Gold frenzy? In time, this too shall pass.

**EVR**



## Letters to the Editor

*(Editor's Note: Here we share and respond to a representative sample of correspondence that we receive. Please note that questions may be edited.)*

**READER:** There is a growing number of Christians that claim there is a small, very rich, ruling elite class of people that is international in scope and is the actual body of people who control global economics, governments, policy ... etc. I know that *Eternal Value Review* talks about conspiracies in general but I have not run across anything that directly addresses this issue. What is your position on an actual class of super rich people who are the real power brokers in this world? I find the idea of every government being under the control of these people hard to swallow. Thank you. — **S.S.**

**EVR:** This is a topic that has Christians quite divided. Indeed, some focus heavily on “conspiracy theories” and their various permutations and implications for the world. In these circles, there is often observed a near-fixation with the people involved, the supposed elites in high places, the oppressive rich, the diabolic personalities, the specific deeds and implied bonds with the Devil ... etc. not to mention much speculation and unrealistic allegations. I do receive a significant number of inquiries on this general topic (mostly oppositional) as I generally am of the persuasion that “conspiracy hysteria” is an unnecessary distraction to Christians. No doubt, there are conspiracies ... there always have been. There is no denying this fact (i.e. there are such groups called the Bilderbergers, Skull & Bones ... etc.). Actually, the Bible speaks of many conspiracies. However, Scripture also says “Do not call conspiracy everything that these people call conspiracy; do not fear what they fear, and do not dread it. The LORD Almighty is the one you are to regard as holy, he is the one you are to fear, he is the one you are to dread, and he will be a sanctuary” (Isaiah 8:12-14). That verse helps put the topic into its proper context. Despite the machinations of mankind, God is still in control. He is the one we are to fear most, not supposed “global elites.” For this and other reasons, the whole pre-occupation today with global conspiracy theories is out of focus and misses the reality that all humanity (all of us as individuals) can play conspiratorial roles, whether in smaller or larger roles or via deeds of broad impact or just upon ourselves. There is only one major conspiracy. That is the one coordinated by the “spirit of the antichrist.” Fallen human beings unwittingly or willingly are involved in this cosmic saga. The only difference is that some of us will have large influential roles in this regard, some not. All conspiracies today can be explained simply by way of the innate human vulnerabilities of “[...] the cravings of sinful man, the lust of his eyes and the boasting of what he has and does” (1 John 2:16). Satan, who is the antichrist spirit, easily works his will upon earth as the “prince of this world” through these fleshly human lusts and dispositions. Surely some sinners

are easier to love than others ... much less, rich and smug globalists. However, rather than condemning and hating fallen mankind, we should be praying for the lost ... whether they are so-called global elites or not. In my view, most people caught up in global-scale “antichrist agendas” have no idea of their complicity. A smaller number may indeed be willingly given over to evil, though even here their psychopathy may be born of their own sin, that of others or simply having no perspective of eternity. And, yes, some actually think they are serving God through their programs and schemes. We have written a number of articles that touch on this topic. Please see 3-part series [Fatal Attraction: One-World-Order Theories](#) (January to March 2007) and [The One-World-Order: Waiting for Godot?](#) (Sept. 2006). All these materials can be found on our website.

*(Editor's Note: The article “Christian Prosperity Crisis” published in the September 2009 issue of Midnight Call Magazine triggered an unusually large number of responses. Most were supportive, also adding further perspectives.)*

**READER:** The correlation between United States’ economic disaster and false prosperity teachings isn’t merely deduced from the following two facts: 1.) The United States is in serious financial debt. 2.) Prosperity teaching in the USA began after WW II. It appears you are insinuating that the false prosperity doctrine initiated or at least exacerbated the problem. Does greed have to be identified in the church first to then become evident in the world? No. For if no restrainer existed, mankind would be following their innate natural impulses. — **MV**

**EVR:** I am not entirely sure of your point. Apologies if I have misinterpreted it. Indeed, I endorse the statement that the wide-spread and subtle influences of the false Prosperity Gospel have played a role in the culmination of America’s specific financial and economic troubles. I certainly also agree with your point that if there were no “restrainer” that the world would be a much worse place. That will be true so long as the Holy Spirit has an influence through the Church upon earth (in no way implying that this takes place through political and social activism). However, the article did not centre its arguments on the simplistic alignment of the two observations proposed. What is significant is that a “prosperity theology” was manufactured to meet the demands of itching ears and worldly lusts. That gave much “blessed license” to the impulses of greed and fleshly lust whether in the church or not. We are told that “[...] the time will come when men will not put up with sound doctrine. Instead, to suit their own desires, they will gather around them a great number of teachers to say what their itching ears want to hear” (2 Timothy 4:3).

**READER:** I wholly agree with your message (Christian Prosperity Crisis) but further wish to add that God will bless individuals in many ways, not for their personal gain, but to further bless God. I believe that God knows the hearts of His followers and helps those who will do His will with what He allows to come to fruition in their lives. If we have much, then we have much to account for. It is a shame that

these prosperity preachers will continue to go on as they have. I pray that God will wake them up, and lead them to repentance. — **HDL**

**READER:** Years ago, as a new believer in Christ, I was sucked into the prosperity gospel. The men and women who preach this dangerous piece of trash know exactly what they are doing and to whom they are doing it to [...]. These folks prey on the most needy and desperate of people; the kind that will grasp at a match stick because they are drowning. To prey on the most vulnerable is a despicable act. One day they will quake in the presence of a just God. — **EG**

**READER:** I wanted to thank you for a very insightful article. I have a concern that the reality of a misplaced relationship with God doesn't end there. I believe there is a much more invasive concept along the same lines. The article noted the inappropriate expectation of wealth by some of today's church. But what people are really expecting is to be on top of the heap, financially, emotionally, positionally, or as a chosen pet of God. Wealth is just one aspect of the issue. The interest is in God lifting me up, instead of me lifting God up. I am not saying we should try to be poor or abused. That is just as misdirected. When we try to live in a relationship with God where He is there to give us what we ask for, we are making God the servant. Our success/failures in life are evidence of neither our relationship with God or His love for us. God does answer prayer, in His way and time. The world is listening to us. We are teaching non-Christians that God really is negotiable and interested mostly in our goodness and the world's badness. The whole issue of salvation by grace, the blessing of God being with us through life's struggle is lost. The role of Satan, evil powers, and God's right to decide when Christ will appear, become confused and the lost world won't clearly see the hand of God as the end comes upon us all. — **CN**

**READER:** Your article on the Christian Prosperity Crisis hit the nail right on the head. I have been wanting to say that for a very long time. In fact I did preach it, but not so in depth and articulate as you. Thank you for saying it and thank you for posting it on [www.raptureready.com](http://www.raptureready.com). A much needed job well done. This particular topic needs to be expanded on as much as possible and more names need to be added to your list of false teachers. The people have the right to know who's who. I read all of your articles and I do thank God for people like you who are not afraid to tell it like it is. We are losing the battle. The Bride is weeping. We are slowly moving toward total materialism and a hedonistic society. — **RMcD**

**READER:** (Excerpts from a 6 page e-mail). But the reason all the "Prosperity" branches of Christianity have the low incomes you cite is this: They attract people who are trying to climb out of the poor-house, who have serious family/personal dysfunctions and problems and are trying to retrain themselves. They stay in "hope" churches which teach them that they have to "walk the walk" and that there will be a better day ... because they have to hear that to stay the course. They need the "pep talk" and the "show" that tells

them they are part of a wealthy group; that this stuff about the new life-style they have embraced really works. They are the "new rich" of Christianity. But, what about the rest of us? Why do we have these lower incomes? Studies have found that the reason people who are "Christians" have lower incomes isn't from lack of work ethic, or education. It's because they make different choices than their peers over their working lifetimes. They choose family over work; job happiness over promotion; and love of community over an advantageous move. They impose a "glass ceiling" on themselves ... not the result of greed-based choices, to be willing to go into debt to give your child the same middle-class atmosphere; to be raised as you had; to be willing to give more than you save; to be willing to limit your "earnings potential" for happiness at home. This isn't the "choice" picture of a "prosperity nut." [...] He told us that because we obey and love Him we would face troubles. But He also told us He would provide for our needs of the day ... if we trust Him. If you wish to combat a prosperity message that you feel isn't "bible-based," don't deride people for seeking one; don't deride them for not being among the wealthiest ... don't deride them for "not saving" (when saving is seen in many parts as a sign that the person is afraid God will not provide). Apparently, Christians don't focus on wealth, so greed must not be the problem for them. But [America is amongst] the first nations who ever formed a middle-class that was nearly the bulk of their populations ... who's poor were wealthy in comparison to the people of other nations. Just as God promised! They did it by employing the "Protestant Christian Work Ethic" in all their lives' areas. — **LB**

**EVR:** Thank you for a considered letter, prompting many issues to think about. One would need several volumes to cover a worthy response to the many issues, influences and subtleties that you cite in reference to the topic of prosperity. As I believe your comments also reflect, there are no trite formulas that work or can define all situations in the matters of prosperity. Even the supposed "Christian Work Ethic" (as some of the social economists also observed) has its own traps. So what to do? The strategy of love ... living constantly under the Lordship of Jesus Christ is the answer. Thank you for your insights.

**READER:** (A response to "10 Perspectives to Gain Peace and Real Riches-Part 3".) The current generation of Christians have been misled into equating (material) prosperity with God's blessing and the sign of one's spiritual ascendancy. Your thoughts raise several pointed questions, which a discerning reader cannot miss. The need to store up eternal riches in heaven cannot be understated. But, as you rightly pointed out, when the concept of riches and wealth is defined by the world's dominant humanist perspective, it is going to be difficult — no, almost impossible — to store up riches in heaven without the conviction and guidance of the Holy Spirit. I thank God that he is using you to let people know what our real perspective on wealth needs to be. I pray that God will bless your ministry and bring about an awakening in today's slumbering Church. — **AG**

**EVR**

## Facts & Stats ... Ends & Trends



## TOPICAL QUOTES

### What's Worse: Serial Murder or Swindling?

Court sentences can make a statement on the values held by society. If so, what can be concluded from this list of long, multi-lifetime sentences meted out in recent years?

**845 Years:** Sholam Weiss, from New York, got an 845-year sentence from a Florida federal judge in 2000, plus nearly \$300 million of fines and restitution, after being convicted on 78 counts of racketeering, wire fraud and money laundering in the \$450 million collapse of National Heritage Life Insurance.

**330 Years.** Norman Schmidt, is serving a 330-year sentence handed down in 2008 and is currently at a high-security federal prison in Beaumont, Texas. He ran a "high yield" investment scheme under various names

**300 Years:** One of America's most notorious serial killers will serve 10 life sentences, a

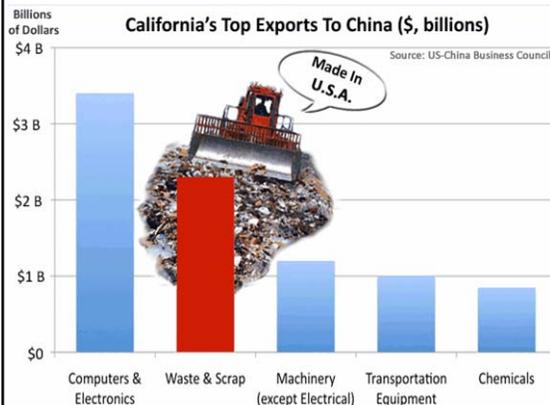
court has ruled. Dennis Rader, a former pillar of the community, admitted murdering seven women, two children and one man during a 17-year period from 1974. (This would be equivalent to 300 years.

**250 Years:** Arthur Shawcross, convicted of killing 10 Rochester-area women from 1988 to 1990, was sentenced to a minimum of 250 years in prison.

**240 Years:** Ronald Dominique, who previously confessed to killing at least 23 men, was given eight consecutive life sentences (Sequentially, if an average life sentence applied, this would be 240 years)

**150 Years:** The disgraced financier Bernie Madoff has been sentenced to the maximum 150 years in prison for masterminding a \$65 billion fraud that wrecked the lives of thousands of investors.

**EVR**



As a nation, "Waste and Scrap" is America's fifth largest export to China, at a whopping \$7.6 billion. We might need to rethink what "Made in The U.S.A." exactly means to the Chinese. — *Vincent Fernando and Kamelia Angelova, Clusterstock - Business Insider, November 12, 2009.*

The global recession isn't just making jobs scarce and tightening spending — it's also turning more people into thieves. Researchers found that shoplifting — or what's euphemistically known as product "shrinkage" — jumped 5.9% in the past year at the more than 1,000 retail chains the group surveyed globally. In previous years, the increase hovered at 1.5% annually. Though the problem was documented across all regions, the

steepest increases occurred in North America (8.1%), the Middle East (7.5%) and Europe (4.7%). In terms of total losses, retailers in North America topped the charts at \$46 billion, followed by Europe's \$44 billion and \$17.9 billion in the Asia-Pacific region. [...] Though most thieves rationalize their acts, the current situation has many people feeling the entire system is broken, that politicians are too corrupt or inept to fix it, and that there's nothing wrong with stealing from these big companies and fancy stores that — the thinking goes — are themselves making out like thieves. — *Center for Retail Research, Global Retail Theft Barometer.*

The Peterson Institute for International Economics projects that the international economic position of the United States is likely to deteriorate enormously as a result, with the current account deficit rising from a previous record of six percent of GDP to over 15% (more than \$5 trillion annually) by 2030 and net debt climbing from \$3.5 trillion today to \$50 trillion (the equivalent of 140% of GDP and more than 700% of exports) by 2030. — *C. Fred Bergsten, Foreign Affairs, Nov./Dec. 2009.*

**EVR**

"To get profit without risk, experience without danger and reward without work, is as impossible as it is to live without being born."

—*P. Gouthey*

"Money is like manure. If you spread it around it does a lot of good. But if you pile it up in one place it stinks."

—*J. R. Murchison*

"Earn all you can, save all you can, and then give all you can."

—*C.H. Spurgeon*

"What is a man profited, if he shall gain the whole world, and lose his own soul?"

—*Matthew 16:26*

"Most of the economists and financial journalists today are scribes for hire, selling their pen to the government and the central bank. Propaganda is passed on as research. Mathematics has been prostituted as never before in the history of the Queen of Sciences. Research papers on economics and monetary theory studded with formidable-looking but otherwise vacuous differential equations are presented as Holy Grail. The studied gestures and hocus-pocus of latter-day economists is similar to those of the priesthood in ancient Egypt."

—*Forgotten Anniversary: One Hundred Years of Legal Tender by Antal E. Fekete*

**EVR**

**Gold: What's All the Fuss?**

...cont'd from back page

are remarkably different ... frankly, different from ever before. The times are unprecedented; the waters uncharted. Consider that the world, especially so in the advanced nations, are experiencing a retirement crisis; also an "income crisis." Given "cupboard-bare" interest rate levels (virtually zero on most short-term deposits), pension funds today are starving for higher levels of income and so are most retirees. People today are more anxious about earning income that they were the last time gold soared in price.

Don't forget that gold bullion does not yield income (for the average investor, in any case). You can't live on income from gold. You must sell it to generate the cash to live on. Investments that yield high-income (i.e. interest or dividend payments) are likely to be just as eagerly sought during these threadbare times of income. In fact, to date in 2009, did you know that high-yield bonds have far outperformed gold? High-yield fixed-income investments year-to-date have fared much better. This fact alone should caution the rampant gold bulls. How is it that gold and bonds are rising at the same time? This is not normal. Actually, this pattern is more diagnostic of deflationary than inflationary pressures.

But aren't the U.S. and other parts of the world fated for a hyper-inflationary spiral? While central banks are indeed trying to re-inflate the world with their fiat money creation, this is not the sole determinant of an inflationary outcome. Other factors also play a role. For example, the capital destruction caused by an imploding debt situation can cause deflation no matter how much central banks may want to intervene with cheap money. This has indeed happened

through the housing markets recently. Plunging collateral values have destroyed a lot of money as mortgages have been written off. There are other factors that are not well appreciated especially during times where private debt is contracting as is now the case.

Please be alerted that few economists really understand the workings of inflation. These can have varied and surprising effects. Inflation is a chameleon of many colors. By its very nature it is deceitful and cunning.

For example, did you know that "falling prices" can today actually be caused by inflationary policies? That indeed has been the case for some time. It happens to be a strange side effect of a globalized, interconnected world of trade and money flows. How so?

Suffice it to provide a brief example. Consider that the inflationary policies of some countries actually have the consequence of overinvestment ... meaning here, the overbuilding of productive capacity in the form of factories and public infrastructure. Rather than giving rise to a condition of overconsumption (as tends to occur in North America) which may cause consumer prices to rise, in this case the opposite occurs. Huge credit-inflated, over-expansion in manufacturing capacity causes a surplus of export goods, which in turn causes downward pressures on consumers prices. Anyone benefiting from the yellow "happy face" proclaiming low prices at Wal-Mart stores will understand the impact of expanding Chinese production.

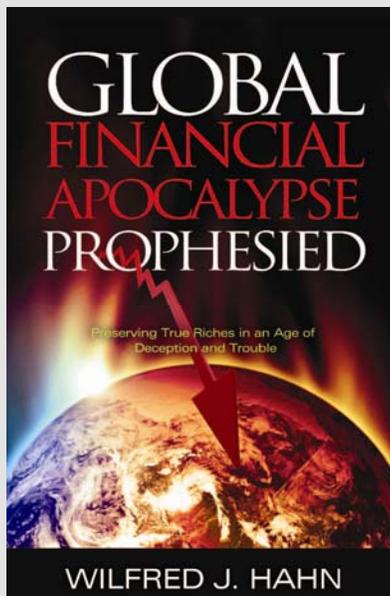
So we see that in the globalized world of today, the inflationary policies of one country can work through international channels to perversely cause falling goods prices in another by over-stimulating productive capacity. That effect was evident in the case of Japan's "bubble" of the late 1980s. Now, it is happening on a grand scale through the hyper-expansions of the China-centric manufacturing hub.

Don't overlook the fact that China's boom of today is also, in part, the product of an unsustainable inflationary bubble. Its massive increases in industrial capacity are far out-running demand. Now that the American consumer is deleveraging and cutting back spending, China faces significant challenges in re-establishing its former pace of export growth. Consumer prices will therefore remain under pressure. Moreover, China will most certainly face its own crises in future years.

Another difference to realize (especially for those who are expecting another Weimar era of hyperinflation as occurred in 1920s Germany) is that today there exist well developed bond markets. This factor, along with an aging population in much of the western nations, suggests that bond markets will be highly vigilant against inflation. While it is true that bond markets are also prone to financial bubbles, over time they nonetheless are adverse to rising inflation. Interest rates tend to rise when threatened by rising consumer price inflation. Rising interest rates in turn act as a depressant on inflation ... a type of regulator.

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## Personal Perspectives

### Gold: What's All The Fuss?

In recent months, we have experienced a high level of inquiries about gold. The questions generally are all of the same nature ... basically, should we be buying gold at the present time? We assume here, of course, that Christians are pursuing such questions with a balanced attitude of stewardship. Nevertheless, it seems that some people are feeling anguished about the possibility that rising gold prices may be leaving them behind. Some claim that they are being urged to buy gold by Christian radio show hosts, investment counsellors, friends ... and so on. The media is certainly hyping gold fever. "Dump the dollar! Buy gold," blazes a recent headline from Fortune Magazine.

As a rule, we don't make specific investment recommendations in *EVR*. However, at times, balanced perspectives and cautions are direly needed (i.e. the housing bubble in "A Warning That Hits Home" in April of 2004.) The current gold price rally — rapidly becoming a frenzy — certainly warrants some caution.

Should people put all their wealth into the golden metal such as some Christian investment counselors and also ministries are recommending? Of course not. That would not be wise for several reasons, nor is this advice supported by sure future knowledge.

No doubt, from time to time, gold can be a rewarding investment. But by no means should people allow themselves to be deluded into thinking that gold is a sure-fire, all-encompassing solution to monetary security. Gold is not God's money. We must not forget that bullion is an earthly metal that attracts the machinations and lusts of mankind. In the end, its value is vulnerable to the manipulations and controls of government policies.

As such, we need to look at the facts and discover just why the price of gold has been rising, and whether or not it may continue to rise in the future. Here, as always in the world of money and commerce, real material facts are sometimes difficult to separate from the distortions of human affections and emotions. To this point, rising gold prices are at least partly explainable. There has been much negative press on the inflationary monetary actions of central banks around the world, particularly so the U.S. Federal Reserve Bank. Also, the gold price has been rising fastest in U.S. dollar terms because the U.S. currency has again entered a weakening phase against virtually every currency in the world in recent months (with the notable exception of the Chinese yuan).

That having been the case, many people are worried that the value of their money and savings, especially so in U.S. dollars, is being depreciated. Actually, all the world's major currencies have fallen in value relative to gold in recent

times. All currencies of the world are fiat. They all have no fixed value.

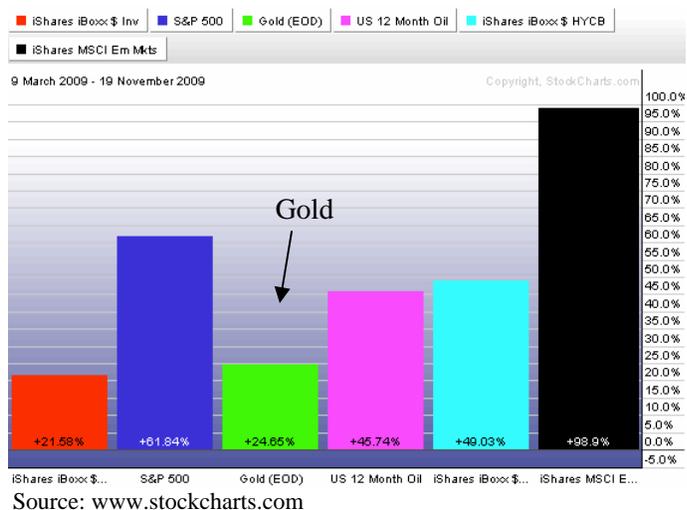
Let's consider some countervailing facts that should serve to bring this "gold mania" into a more balanced perspective. In the first place, one should never place all of one's savings on one "horse" This is simply not wise, no matter how sure one's convictions. Secondly, there are other assets that are just as attractive as gold, if not more so. There in fact have been other investments that have risen much more than gold since the stock market lows of early March this year (see the exhibit below).

But, aren't central banks creating a lot of money out of thin air these days? Yes, very definitely. But that is only part of the picture. Advisors that are recommending that you "jump into" gold, presume that world conditions today are similar to other periods of time when prices rose rapidly. Really?

For example, frequently cited is the previous "gold rush" that occurred between 1980 and 1982. The price of an ounce of gold then soared above \$800 from a level of

### Gold Rising, But So Are Most Other Assets

Gains since March 9, 2009, %



less than \$100. I vividly remember the long line-ups of people jostling to buy gold wafers at that time. To the pained chagrin of many of those people, the price of gold eventually fell all the way back to \$254. Please view the gold price chart on page #7. You will note that following the emotional gold price spike upwards, in the 1980s, (a pattern evincing a similar frenzy as we are starting to again see today) prices fell markedly. Today, advisors reason that since governments now are pursuing similar inflationary policies as prior to that earlier time, that therefore the same outcome for gold can be expected. This is not necessarily a logical deduction. Why?

For one, the world is today experiencing conditions that

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