



ETERNAL VALUE REVIEW

MONEY MONITOR & GLOBAL TRENDS REPORT

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"For thinking Christians seeking to understand the times."

DECEMBER 2010

FEATURE REPORT

Prophetic Speculations: Wildcatting in Israel?

From time to time we receive questions about the merits of investing in the Israeli oil exploration industry. Would it offer good returns? Just which oil exploration companies show the best prospects? Could there be a Biblical basis for the idea that oil will be found in Israel some day? For an oil analyst, these would be easier questions to answer were they not linked up with religion. As such, any discussion is likely to offend someone. Yet, the topic merits investigation. We will tread carefully.

However, before going any further, we must acknowledge up-front the good intentions of investors in Israel-based oil exploration projects. Many of these people genuinely want to support the cause of finding oil or other types of hydrocarbons in Israel. After all, wouldn't this be wonderful? At long last, Israel would be freed from its heavy burden of energy imports. It imports virtually 99% of its oil requirements.

Moreover, Israel would then also possess some of the same resource riches of most of its mortal adversaries, such as Iraq, Saudi Arabia, and Iran, to name just a few. Interestingly, we observe that the majority of the world's proven oil reserves happen to lie under countries with Muslim-dominant populations. Hydrocarbon wealth is not only found in the Islamic Middle East, but also countries further-afield from Arabia, such as Nigeria, Azerbaijan and Indonesia, which all have a growing Islamic influence in common.

We empathize with those who wish to support Israel and would certainly not begrudge Israel were it to find massive oil and gas deposits someday. However, if it was only a matter of beneficent sentiments for Israel, there would be little reason to investigate further. Much more is involved.

Why Search For Oil In Israel?

To begin, why explore for oil, and why in

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Trickle Down Economics

DR. BERNANKE EXPLAINS QUANTITATIVE EASING



Source: Eric G. Lewis

*"Don't be deceived,
my dear brothers.
Every good and
perfect gift is from
above, coming down
from the Father of the
heavenly lights, who
does not change like
shifting shadows.*

— James 1:16-17

WORLD MONEY UPDATE

For the Pleasure of Being Deceived

Back in the 1930s, the humorist Will Rogers coined the term "Trickle Down Theory." He meant to ridicule the idea of spreading aid and support to the top tier of society, on the expectation that it would eventually "trickle" down to the broader population. John Kenneth Galbraith, perhaps the best known economist of the post-World War era, had an earthier definition of Trickle Down Theory — "the less than elegant metaphor that if one feeds the horse enough oats, some will pass through to the road for the sparrows." Dr. Rexford Tugford, who was part of the braintrust of the Great Depression-era Hoover administration and agriculturalist, saw it as "[...] trying to fertilize the soil by putting manure in trees."

If we may say so, a lot of "fertilizer" is being spread around these days by governments and central bankers alike. Several versions of the Trickle Down Theory are being pursued of late. For one, central bankers are hopeful that the more monetary reserves that they force upon the banking

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system, that the banks will eventually start lending, allowing money to circulate back through the real economy. (The cartoon on the front page makes light of this strategy.) Perhaps eventually, the banks may again begin lending aggressively. The more likely outcome is that when this finally happens, the banks will be lending money for the purpose of financial speculation. This will only contribute to a further asset inflation in asset markets ... an even greater decoupling of the financial world from the real economy. While it may delay another round of financial collapses, it only serves to worsen them when they do again occur.

On another front, central bankers have been specifically attempting to levitate asset markets (primarily bond and stock securities) by artificially keeping interest rates low. The working (and desperate) theory is that if stock and bond markets can be made to rise in price, then people will feel “wealthier” and be more inclined to spend. Yes, various economic studies have shown that there seems to be a relationship between “economic well-being” and spending levels. But this impact is very low. At best, it is likely to be largely ineffectual at this time. Why? For one, most people are in a “bunker” mode, striving to save and pay down debts. Secondly, and this is the most important reason, the wealth skew is now so extreme in America, that rising asset markets will largely accrue to a very small number of households. As Galbraith quipped, feeding oats to these wealthy households, at best, will provide a few “road apples” for the chickadees to feed upon.

The more serious worry about these “trickle down” policies is the tendency to produce a greater decoupling between the financial and industrial economies. What this means is that financial markets may very well hold up — perhaps even rise sharply — even as overall economic conditions remain difficult for the majority of households. But that will only makes matters worse over the longer-term. Here are listed 10 contributing factors:

1. Financial Decoupling: First, financial circulation today has decoupled from industrial circulation (in other

words, the “real” economy). Ultimately, a painful convergence of the two is unavoidable. To this point, the largest industry in the world has been saved from annihilation, more than a few major financial institutions having been rescued through government intervention. It is back to usual; manufacturing financial wealth with even bigger “too big to fail” financial companies. If the G20 has its way, a select group of 20 global financial institutions stand to be ring-walled.

2. Policymaker Posterity: By hook or crook the deflationary financial implosions of the past few years must be stopped ... flooded and averted, or so policymakers may think. Central bankers, like politicians, worry about their posterity. They do not want to go down in history as having been the captain of the White Line’s Titanic. Instead they will want to arrive triumphantly on the command deck of a high-floating Cunard QE II. As such, they must err on the side of excess ... of not failing to attempt any and every technique that could possibly contribute to an economic recovery, no matter how marginal.

3. Big Monetary Polluters. By extension, for at least a time longer, the central banks of three of the world’s four largest economies will not consider ending QE (Quantitative Easing, namely the UK, the U.S. and Japan). They will not tolerate rising interest rates because it does not meet orthodox theory for a period of low economic growth and low price inflation. It’s as if the Fuzzbuster has signaled the “all-clear” for the next 10 miles. The message? There will be no speeding tickets issued for “pedals to the metal.” Given such an environment, what’s a hedge fund manager to do?

4. Save Slavery. Those households dependent upon interest income (primarily the elderly) or households that have yet to buy retirement income, are being savaged by the most brutal and virulent inflation of all. The price of retirement has soared. And this, at the very time that a dominant demographic group that is nearing retirement (namely the “boomers”) has grossly under-saved. Conventional monetary theory does not recognize such dynamics as resulting from inflation. But, explain that to a 50-something who now realizes that they will have to nearly triple their personal savings rate (or investment returns) relative to a decade ago. Currently, based on average U.S. production-worker income, it requires more than 50 weeks of labor to buy an equivalent week of either equity dividends or 5-year interest income. This demographic group could choose to respond in several ways. Soon-to-retire households will boost their savings and reduce consumption. Or they may “go for broke” and take on much investment risk. Either outcome adds fuel to securities markets.

5. Deepest Channel. Monetary liquidity, like water, travels in the channels of least resistance. Central banks can only stimulate that which wants to be stimulated! Currently, monetary channels into the real economy remain calcified. Households are not expanding their borrowing and the corporate sector is not yet spending



ETERNAL VALUE REVIEW
MONEY MONITOR & GLOBAL TRENDS REPORT



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their cash hoard. More likely, during periods of slow economic growth and low interest rates, corporations are likely to resort to financial engineering, promoting takeovers and acquisitions. In short, QE and/or monetary expansion will tend to find its outlet in security markets, not the real economy. This further corroborates point #1 — Financial Decoupling.

6. Stealth Wealth. The most nefarious impact could be the policy shift to wealth theory. In the Age of Global Capital (though we now appear to be in a period of its demise), wealth is seen as being the market value of financial paper, securities and “balance sheet” assets. Quoting an article that famously laid bare this shift to disregard incomes and profit as the real underpinnings to wealth:

“Securitization — the issuance of high-quality bonds and stocks — has become the most powerful engine of wealth creation in today’s world economy. [...] Overall, securitization is fundamentally altering the international economic system. Historically, manufacturing, exporting, and direct investment produced prosperity through income creation. Wealth was created when a portion of income was diverted from consumption into investment in buildings, machinery, and technological change. Societies accumulated wealth slowly over generations. Now many societies, and indeed the entire world, have learned how to create wealth directly. The new approach requires that a state find ways to increase the market value of its stock of productive assets.” (John C. Edmunds, Securities—The New Wealth Machine, Foreign Policy, Fall 1996, pg. 118.)

Without question, policy makers are counting on the “wealth effects” — as little as they may be — of soaring securities markets to stimulate spending.

7. Equity Thermometer. According to the comments of central bank policymakers, equity market trends are being considered as the indicator of QE success. During past periods of QE in various countries, there has been a fairly close correlation between the two. If stock markets are rising, then this is popularly taken (though wrong) as an indication that economies are improving. This being the case, it suggests that QE will continue or be further expanded until equity markets have risen.

8. Innate Preference. Not surprisingly, people prefer asset inflations to asset deflations. Asset inflation is the sweetest, most alluring, deceiving inflation of all. It feels good on the upside.

9. Institutional Reason for Existence. A cornered animal will behave differently than one that is not. The same applies to institutional and professional investors. There is no lack of cornered asset managers in the world. For example, they may be managing an underfunded pension fund. At a time of extremely low interest rates, asset managers may succumb to the lure of risk-taking to secure capital gains. Yes, it is true

that GFC trimmed the risk appetites of many investors, including large institutions and pension funds. However, a period of incessant asset market gains and velocity inflation will in time surely change sentiment.

10. Willingness to be Deluded. Finally, people these days want to be deceived. There is so much grim news, uncertainty and hardship that bouncy financial lunacy will attract its believers. It is only human to hope. If doom can be deferred through delusion, it will be.

There are so many people inescapably intertwined with the non-sustainable system of prosperity — cheap oil, debt, consumption, cheap calories, and amusement — that they virtually must choose to lie to themselves rather than to face the facts and the inevitable. (See *American Theocracy* by Kevin Phillips) As Aldous Huxley said “*Most ignorance is vincible ignorance. We don’t know because we don’t want to know.*”

Will global financial markets first enter a period of alluring decoupling, before succumbing to another round of crashes? This is already happening. Will there be one more massive asset inflation of securities markets ... the last death rattle of an over-indebted, over-inflated financial system? This certainly would fit the prophetic timeline as the final collapse does not occur before the latter half of the Great Tribulation. When and if this does happen, professional investors cannot afford to miss it. It would be viewed as the last money-making opportunity — the “last call.” In effect, an opportunistic money manager ethic can produce an organized collusion to produce a mighty asset inflation. Is this fantasy? It is possible. Why? Because corruption and materialistic greed is rampant everywhere.

In the meantime, there are plenty of unhealthy signs monetarily, economically, geopolitically ... actually everything. Many regions of the world, sectors and large swathes of U.S. households are already living in a Great Depression II. All of these conditions and developments (too numerous to mention) guarantee — yes guarantee — that even greater financial troubles lie ahead for the world in future years.

EVR

Prophetic Speculations: Wildcatting in Israel?

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Israel? Of course, it is well understood that oil exploration can be a very profitable business should major hydrocarbon deposits be found. But how do oil executives determine where to drill? Usually, such decisions are guided by the studies of geologists and business analysts. They strive to maximize the prospects of exploration success as well as future production revenues. It is a high risk business, with as many as 80% of drilled wells coming up dry.

Then why invest in companies that are exploring for oil in Israel? Most assuredly, geologists are interested in a “sure-fire” investment payoff. Israel, however, only has a fledgling oil exploration industry comprised of less than 20 companies, most of which are very small. Oil finds over the years have been meager, although significant natural gas deposits have been recently located 50 miles offshore under the Mediterranean Sea. Since the early 1940s, perhaps as

many as 1000 wells have been drilled in Israel. Even a government-owned company, was actively seeking oil and gas reserves. Its best results were in the Sinai region. The oil fields there would likely have been sufficient to meet Israel's oils needs even today. But this was not to be. Israel, desiring to make peace, and to be accepted among the nations, gave this region back to Egypt as part of the 1979 peace treaty. Israel, rightfully and legally had sufficient oil supplies. It chose to give it back to them.

Today, Israel remains reliant upon imported oil for virtually all of its needs. That would be good reason to double-up efforts to find oil, except that the likelihood for finding a major oil reserve is very slim. Nevertheless, there are some people who believe that chances are good. Many of them are drawn in by the claims of some ministries (and promoters) that there is Biblical proof that oil will be found in Israel someday.

One oil executive (whom we choose not to name as we have not spoken to him directly) claims that divine visions inspired him to search for oil in Israel. Surely, there is nothing wrong with exploring for oil in Israel. However, are some investors—either benevolent or greedy—being led to misjudge the risks and prospects for success because of an implied religious or Biblical validation?

If this were so, it would not be new. Christians, unfortunately, are often gullible. Too many drop their defenses when a huckster implies credibility on the strength of some religious association or an obscure Bible verse and/or prophetic statement. Could this be true in the case of Israel-based oil exploration? Just how realistic is it that huge reserves of oil or natural gas will be found in Israel? Let's examine the evidence. We can approach this question from at least two perspectives: 1. Science ... the evidence from geology and historical exploration results; and 2. The Bible. Let's first turn to the Scriptures.

Prophetic Proof of Oil in the Bible

Just where in the Bible does it say that Israel will someday find oil? A number of well-respected evangelical Bible teachers have isolated some verses that could leave open the possibility that oil "might" someday be found in Israel. Dr. David Jeremiah and Dr. Timothy Lahaye, as well as other prophecy experts such as Hal Lindsay and Joel Rosenberg, openly speculate that oil will someday be found in Israel. Said Lindsay, "Prophetically, I believe oil will be found on Zion's (this being a reference to Zion Oil and Gas Inc.) leases." In fairness, we recognize that many of these views are mostly "belief statements" and not claims of absolute certainty. Yet, these opinions of respected Bible-teachers are often promoted by others as being supportive of Israeli oil exploration ... the intended implication to investors being that success is probable.

Let's examine some of the Bible verses that are cited as support. We could not hope to provide an exhaustive review here of all the possible verses. Basically, four approaches are taken. Scripture verses are sought that could be interpreted as proof that oil substances had existed in Old Testament times. The working theory is that if it existed then, more of it can be found today with modern drilling

techniques. Secondly, certain Biblical accounts are either allegorized or interpreted as having involved oil. Again, if it was available in ancient societies, it should be found somewhere today. Thirdly, various Hebrew word meanings are subjectively inflected to try to prove that possibly the Bible might have intended these verses—though obliquely—to indicate the presence or meaning of oil in some way. Finally, a number of prophetic statements are claimed to have application to oil exploration in Israel in modern times.

As to the first approach, quite a large number of Bible verses are cited that could possibly indicate the existence of oil-based substances in Biblical times. For instance, in Genesis 14:10 we read: "Now the Valley of Siddim was full of tar pits, and when the kings of Sodom and Gomorrah fled, some of the men fell into them and the rest fled to the hills."

However, the fact that there were tar pits on the surface at that time 4,000 years ago does not necessarily connect to deposits being sought today at 10,000 foot plus deep wells.

An example of the second approach is the story of Elijah's water-soaked offering on Mount Carmel, where fire fell from heaven upon the altar, thus proving the 450 priests of Baal as false prophets. Some have reasoned that the water that Elijah had poured on the altar could only have been a hydrocarbon based substance. For liquid to have spontaneously erupted into flames as described in the Bible, it must have been a combustible hydrocarbon of some type. Of course, we would reject such explanations as it shows Elijah to be a trickster rather than evidencing the superior power of God over the gods of Baal.

Just what prophecies have been found to prove that oil riches will flow to Israel some day? A heavy emphasis is placed upon Jacob's prophecies over his sons. For example:

"And of Joseph he said, Blessed of the LORD be his land, for the precious things of heaven, for the dew, and for the deep that coucheth beneath" (Deuteronomy 33:13). Or, "They shall call the people unto the mountain; there they shall offer sacrifices of righteousness: for they shall suck of the abundance of the seas, and of treasures hid in the sand" (Deuteronomy 33:19).

Such phrases as "deep that coucheth beneath" and "treasures hid in the sand" hold possibility to some that oil might be the intended subject. Just what "treasures" might be indicated? Could it be oil? Supposedly, yes. Oil could qualify as a treasure in our modern day world. However, to surmise that the insinuation of oil here is so strong that one can establish a prophetic basis for finding huge oil reserves is not valid. There are a number of other verses of the same type.

May we be rationally analytical? Again, please realize that we are not hostile to investors who wish to put their money into Israeli oil exploration, especially as many do so out of a spirit of benevolence. In our opinion, there is no irrefutable prophecy in the Bible that indicates that large finds of oil will be made in Israel. At best, these may be considered as vague insinuations, but they are not proof. Therefore, these supposed prophecies will not increase anyone's odds of finding oil in Israel. Nor, critically, should

anyone rely on Bible prophecy to promote an investment..

If so, that would be unfortunate. Bible prophecy was never intended to provide financial advantage and has no such application. Otherwise, Jeremiah and many other Old Testament prophets could have become rich. Knowing the future (though also requiring knowledge of the exact timing of events) would have been a profitable “insider tip.”

We cannot find any non-debatable, irrefutable statement in the Bible anywhere that can be construed as proof positive that significant amounts of oil will be found in Israel some day ... nor that hundreds of millions of dollars should be lost in such speculations.

Oil Exploration Results

Looking over the financial disclosures of both past and currently-active companies in oil exploration in Israel, could one make the case that Bible-inspired oil exploration companies have the upper hand or are more successful? No. However, it does seem obvious that such companies are more successful raising capital than other oil explorers.

The “Christian” association and the implied good cause of finding “prophetically validated” oil may well loosen the wallets of both investors and benefactors. Notably, Zion Oil & Gas Inc. (the most active Bible-inspired explorer presently) has virtually been in a continuous state of capital raising over the past several years. It has successfully attracted tens of millions in funds, and this throughout the most difficult period of the Global Financial Crisis.

Since that time, it has raised over \$50 million through new share sales and rights offerings. This is actually quite remarkable. Throughout most of 2008 and 2009, other junior oil companies could not raise a plugged nickel, no matter if their viability depended upon it. For a time, there simply was no risk capital available, even for well-run resource companies with very attractive prospects.

Oil exploration is a risky business at best. To date, Zion has yet to locate any commercial quantities of oil and has no revenues. For the sake of their investors and the two charitable trusts that Zion has founded, we hope their fortunes will change. All the same, we cannot point to any prophecy or industrial advantage that would validate any expectations of above-average results.

Reliable Prophecy?

Mr. John Brown, Chairman and Founder of Zion Oil & Gas Inc. (Zion), writes in his recent book, *The Oil of Israel: Prophecy Being Fulfilled*: “So, why did God choose Zion to discover the oil in Israel? The answer is I don’t know why, but He did, and I believe I was told by God that it was to fulfill His promises to Israel (Isaiah 14:24) (Zechariah 1:17) and to bless the body of Christ. (Isaiah 23:18 NIV) [sic] and Zion Oil only exists because of God’s faithfulness to Israel (Psalms 36:5, 89:1-5) and not because of my faith (Isaiah 25:1).”¹

No doubt, Mr. Brown may honestly have his beliefs about the certainty of oil being found in Israel someday. Moreover, he may freely express these opinions in the field of faith. However, civil authorities are much less tolerant of

unsubstantiated speculations. In Zion’s 2009-year filing of its 10-K report with the Securities and Exchange Commission, the company states: “We have no proved reserves or current production and we may never have any.”² The words “may never have” surely do not reveal any prophetic certainties. The contrast in this 10-K statement with those of Zion’s promoters is revealing.

We here again see that there is little consequence for promoting false hopes — even if with honest conviction — under the guise of faith and religion. Civil authorities, on the other hand, have seen fit to institute laws and regulations that are designed to protect investors from such “speculations” ... certainly not without clear disclosure as to the risks and real facts.

There were others claiming divine leading to find oil in Israel. Famously, the late Hayseed Stevens, founder of Ness Energy Inc. (today defunct, and without assets, never having found any commercial oil deposits), in the 1990s claimed “[...] that God showed me the location of the world’s greatest oil field [...] the greatest oil field on Earth is under the southwest corner of the Dead Sea.” Ness Energy Petroleum went on to spend millions exploring for oil in that region. To date, this trove has not been found and the phantom profits from it that would go toward the building of the third Jewish temple, as Mr. Stephens predicted, also did not happen (... at least, not yet).

To date, the record of the “vision-inspired” oil industry in Israel has not edified the reputation of the Christian faith or of Bible prophecy. Quite to the contrary.

God’s Intentions with Israel

Could it be that God never did want Israel to have much oil ... at least, not before the Millennium? If so, it would parallel His dealings with Israel that we see in the Old Testament. God has always wanted Israel to be reliant upon Him; not upon their own might and technology (and perhaps, also not oil riches). For instance, during the times of the Old Testament judges, for example Gideon, the Philistines possessed the advanced technology of iron and had many horses and chariots. Israelites had to go down to the valleys or the coast to get an axe head. The valley bottoms were well protected by the Philistine charioteers. During this and other times of oppression, God raised prophets and teachers who led Israel back to the worship of the God of Israel. He Himself miraculously delivered them from their enemies several times.

The Lord indicates that He will bring Israel back to Himself for one last and final time. It then will be God that delivers Israel, a believing Israel, who will finally recognize “he who was pierced” (Zechariah 12:10) and rejoice when they see their Messiah.

We can know that even were it true that Israel would find large oil deposits, it will not serve to change the ultimate destiny of Israel. Rather, it is the other way around. Israel, in the end—with or without oil—will be nearly annihilated by the Gentile nations but not for God’s intervention.

Points to Ponder

God has put the oil where we find it today. Scripture tells

us that He himself placed this vast wealth in the cradle of civilization. In Revelation we read, “You are worthy, our Lord and God, to receive glory and honor and power, for you created all things, and by your will they were created and have their being” (Revelations 4:11). More specifically, it is He “who created the heavens and all that is in them, the earth and all that is in it, and the sea and all that is in it” (Revelation 10:6).

Clearly, God determined where oil would be found. Satan has since mobilized an adversarial religion (Islam) from amongst the relatives of Israel (through the descendants of Ishmael, also a son of Abraham). Remarkably, it has spread to non-Arab nations ... many of which happen to be oil-rich.

The situation we find with respect to global oil and gas dynamics today is not circumstantial. A master evil strategist could not have planned nor encouraged the global oil economy we witness today any more effectively. We have isolated some 20 so-called “coincidences” and “unexplainable circumstances” that are observed in the world today with respect to its oil economy. (The 4-part article series carried in *Midnight Call* in the April through July issues of 2006, reviews these factors.)

It is statistically improbable that such conditions could have occurred accidentally. It therefore would not be unreasonable to conclude that huge finds of oil in Israel (certainly so before the Millennium period) should not be expected to materially alter geopolitical conditions with respect to Israel.

One day, Israel indeed will have enormous wealth. This is clearly indicated in numerous Bible prophecies. And, not incidentally, all of these prophecies are not vague nor oblique statements that may imply anything but prove nothing. All align with each other. For example, “You will feed on the wealth of nations, and in their riches you will boast” (Isaiah 61:6). Also, “Then you will look and be radiant, your heart will throb and swell with joy; the wealth on the seas will be brought to you, to you the riches of the nations will come” (Isaiah 60:5). (Also see Isaiah 66:12, Micah 4:13, Isaiah 60:11 and Zechariah 14:14.) In each verse, wealth flows “to” Israel ... not “from.” Moreover, no oil transfers are specifically mentioned in these verses.

Finally, what can readers conclude? Please do not at all be dissuaded from supporting Israel. If you wish to invest money in Israel, you are free to do so. However, do not allow your decision in any such matters to be influenced by claims of “prophetic validation.” It will not give you an investment “edge” or an inside track.

Rest assured, God will be faithful to his promises to Israel, as He repeatedly confirms in the Bible. “As you have been an object of cursing among the nations, O Judah and Israel, so will I save you, and you will be a blessing. Do not be afraid, but let your hands be strong.’ This is what the LORD Almighty says: ‘Just as I had determined to bring disaster upon you and showed no pity when your fathers angered me,’ says the LORD Almighty, ‘so now I have determined to do good again to Jerusalem and Judah. Do not be afraid” (Zechariah 8:13-15).

EVR

Signs of the Times



European Financial Tremors: Prophetically Significant?

So many secular trends that we witness today around the globe align with events of future Bible prophecy. Saying this, we must of course be very careful to avoid speculating or to attempt to predict near-term events. However, all the same, any Bible-reading watcher will surely recognize the approaching season. Moreover, he/she likely will be intrigued by several recent developments.

For one, the financial gyrations in Europe over the past year are of great interest. While many seem sure that the US dollar is destined to collapse, they forget that virtually all of the world’s currencies are fiat. Currencies are valued relative to each other. And so, as the euro is again trembling due to the sequential collapse of the periphery countries in the Eurozone, further dollar weakness will have to be delayed. However, there could yet be a very surprising twist to this development as we will explain.

The sovereign debt and banking crises of Greece and Ireland this year have already taken a big financial bite out of the bail-out lending facilities available to member countries in the European Union (EU) and the Eurozone. There is the European Monetary Stability Mechanism (EMSM) available to all EU members and the new European Financial Stability Fund (EFSF) exclusively for the Eurozone members. While calm may return over the next several months, there are sure to be further crises if not sooner. The problem is that if one of the bigger country members of the Eurozone is forced to seek a bail-out, the great experiment of European Union could crumble. For example, should Spain (perish the thought that Italy or France might) need to turn to the support of the EMSM or the EFSF, these two support funds will be overwhelmed. More financial chaos would ensue. Or so, most market observers seem to believe.

While further European financial crisis are virtually guaranteed given the large interconnected sovereign debt holdings of the European banking system, the, ultimate outcome could catch most observers by surprise. Actually, it is very possible that the Eurozone members may shrink down to a much smaller core membership of financially-stable countries. The result? The euro would then soar. Why? The remaining core members would be relieved of the duty of contributing financially to the bail-outs of the weaker countries. Then, it would be only financially-stronger members supporting the euro. If so, the euro would be sought after by a world starved for “relatively” safe and secure assets.

The Bible clearly mentions that a coalition of 10 nations comes together for a brief time during the last days, just before the Antichrist comes on the world scene.

Could the European Union or the Eurozone shrink down to 10 nations? Readers of past *EVR* issues will recall several articles referring to these last-day 10 kings. It is possible that all or at least the majority of these nations could be European. While this is not the only scenario that would satisfy Bible prophecy in this regard, there is no reason to discount it. Very definitely, any major shifts or changes in Europe should especially not be ignored.

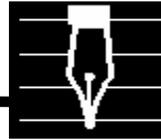
Recently, the Chancellor of Germany, Angela Merkel, reaffirmed the Christian identity of that nation. According to a Stratfor update, she stressed “[...] that ‘whoever wants to live here must learn German ... (and) obey our laws,’ adding, ‘whoever won’t must expect sanctions.’ She concluded by saying, ‘It’s not that we have too much Islam, but rather that we have too little Christianity ... We speak too little of our Judeo-Christian heritage.’”

Such comments are more than just interesting given the current times and the rapidly changing geopolitical landscape of the world. Why? The Bible indicates that the endtime political structures of the world will embrace the emblems of “great religiosity.” For example, we read Apostle Paul’s warning about the last days: “*But mark this: There will be terrible times in the last days. People will be lovers of themselves, lovers of money, boastful, proud, abusive, disobedient to their parents, ungrateful, unholy, without love, unforgiving, slanderous, without self-control, brutal, not lovers of the good, treacherous, rash, conceited, lovers of pleasure rather than lovers of God — having a form of godliness but denying its power. Have nothing to do with them.*” (2 Timothy 3:2-5). Here we see juxtapositioned “godliness” with a state of affairs that is totally and morally bankrupt.

How is this possible? In fact, such affairs play out in grand type across the globe. In Revelation 17 is shown an apostate religious system, in the form of a woman riding on the back of a scarlet beast. She is riding comfortably upon the sovereign power system of that future world.

Possibly, it is this very “appearance of godliness” — perhaps also the common emblems of so-called Christianity such as the crucifix and other symbols adopted from pagan religions — that so surprises Apostle John when he sees the vision of the Mother of Harlots sitting upon the beast. He says, “When I saw her, I was greatly astonished” (Revelation 17:6). What else would have astonished John after having seen the grisly visions outlined in chapters 4 through 16 that come before?

Trends are accelerating. Recently, the G-20 announced that 20 of the world’s largest financial institutions would be classified as “too important to fail.” As such, they would be subject to different regulation and scrutiny. Though they all are very large companies, it is nevertheless a small number. It stands to be a very powerful, influential group. Even while the G-20 organization is fragmenting, the world’s financial system will remain at center stage.

EVR

Letters to the Editor

[Editor’s Comment: *The article “Prophetic Speculations: Wildcatting in Israel” generated a wide range of responses. This article was first published in Midnight Call Magazine in October 2010 and is reproduced in this issue of EVR. Several of the responses follow here, demonstrating that it indeed has proven to be an emotional topic, not necessarily influenced by facts and reason alone.]*

READER: For years, there have been some Bible teachers that have pointed to Scriptures such as Deuteronomy 33:24 as evidence that Israel would someday be blessed with oil. “*And of Asher he said, Let Asher be blessed with children; let him be acceptable to his brethren, and let him dip his foot in oil.*” The truth is that there is a lot of debate about the “oil” passages throughout the Bible, but new discoveries are certainly strengthening the case of those who strongly believe there is a lot of oil in Israel. — **S.K.**

EVR: We are not aware of any material new oil discoveries and can find no information proving otherwise. As our article mentioned, Nobel Energy Inc., a large multinational energy exploration and development company discovered a relatively large natural gas deposit offshore in the Mediterranean Sea several years ago. However, this is not oil and in no way can be related to purported Bible references indicating prophetic proof of future oil discoveries in Israel. Also, please recognize that the junior resources industry specifically (whether oil and gas or ores) tends to always be keen to indicate great expectations of discoveries for its exploration programs (with or without Biblical proofs).

READER: The reason I think there will be oil in Israel is that when the Russian/Iran invasion of Israel happens it is obviously seeking to take a prize. The only prize Israel has now would be their farms and technology. But if these were overrun they would be gone. Oil however would still be there; a prize indeed worth taking. — **H.H.**

EVR: Were Israel to find large quantities of oil, this could certainly qualify as being a “prize.” We assume that you are referring to the battle of Gog referred to in Ezekiel 38. Verses 12 and 13, refer to “take a spoil.” (KJV) However, we treat such ideas as speculation and not as proof that Israel will yet find oil in the pre-millennial period. Several items of booty are mentioned in Ezekiel 38, but none that can be related to oil in any way.

READER: I read your post on *Rapture Ready*. If I had

... continued on page 9

Facts & Stats ... Ends & Trends



TOPICAL QUOTES

More than half of the world's wealthiest self-made women come from China, according to the Hunan Report, a ranking of China's wealthiest individuals. The world's three richest women are Chinese. Some analysts point to the availability of cheap childcare as a factor in China's over-representation in the ranking. Chinese women work an average of 71 hours per week, and often rely on grandparents to take care of children.

— **Financial Times**

The total aggregate national deficit in U.S. retirement income adequacy is an estimated \$4.6 trillion — or about \$48,000 per-individual average, according to congressional testimony by the nonpartisan Employee Benefit Research Institute (EBRI).

— **EBRI.org**

Even as labor shortages plague manufacturing industries, more than one-quarter of this year's 6.3 million Chinese college graduates are unemployed according to the Education Ministry.

— **Bloomberg Businessweek**

Half of Asia will become urbanized, and nearly a billion people will shift from the countryside to the cityscape. [...] In just two decades, China will have a whopping 44 urban areas boasting populations larger than 4 million. India will have 11 such cities.

— **Foreign Policy, Sept/Oct 2010**

99% of all mortgages are backed by three FFFs — Fannie, Freddie and the FHA. And the Federal Reserve has purchased a staggering \$1.2 trillion in mortgage-backed assets in the past year so to maintain the illusion that there is a market for mortgage-backed securities.

— **Charles Hugh Smith, Oct. 14, 2010**

Nearly 3 million fewer Americans now own homes compared to the first quarter of 2005,

when homeownership peaked at 69.1%, the Census Bureau found. During the third quarter of 2010, the homeownership rate was down to 66.9%, unchanged from a quarter earlier. That's the lowest rate since the second quarter of 1999.

— **www.CNNmoney.com**

Some 42,389,619 Americans received food stamps in August, a 17% rise from the same time a year ago, according to the U.S. Department of Agriculture, which tracks the data. That number is up 58.5% from August 2007, before the recession began. By population, Washington, D.C. had the largest share of residents receiving food stamps: More than a fifth, 21.1%, of its residents collected assistance in August.

— **Wall Street Journal, November 4, 2010**

The poverty rate increased from 13.2% to 14.3% between 2009 and 2009, representing an additional 3.7 million people living in poverty for a total of 43.6 million in poverty in 2009. The poverty rate for children was 20.7% in 2009, representing 15.5 million kids living in poverty. In 2009, over one-third (35.5%) of all people living in poverty were children. For the first time on record, the nominal (non-inflation-adjusted) income of the median, or typical, household actually fell, from \$50,303 in 2008 to \$49,777 in 2009. The real median income of working age households declined ever more, falling by \$754 from \$56,575 to \$55,821.

— **www.epi.org**

The Treasury Department spent so far this year \$228 billion on interest on the national debt, a cost that is projected to increase to \$375 billion by the end of the year (about the size of Belgium's economy) and \$571 billion in 2012. Factor in interest costs on US savings bonds, and on state and local bonds, and that \$228 billion figure jumps to \$414 billion.

— **www.foxbusiness.com**

“People only accept change when they are faced with necessity, and only recognize necessity when a crisis is upon them.”

— **Jean Monnet**

“Running up consumer debt may be a moral failure and a recipe for long-term damnation, but it also contains the roots of our short-term salvation.”

— **Daniel Gross, New York Times**

“The thought that you can create a prosperous economy by inflating is an illusion.”

— **Paul Volcker**

“Economic forecasting was invented to make astrology look respectable.”

— **John Kenneth Galbraith**

“The best way to destroy the capitalist system is to debauch the currency.”

— **Vladimir Lenin**

“Most men only care for science so far as they get a living by it, but they will worship error when it affords them a subsistence.”

— **Goethe**

the money, I would invest in oil prospecting in Israel. I do not hope for returns on my money. I will be able to bless Israel by providing extra jobs for those who make aliyah and so forth. — **H.B.**

EVR: Bless you. You appear to be investing in Israel for benevolent reasons. However, I could think of more certain and “eternally” beneficial ways of spending money in Israel, given that you do not require recovery of your investment. How about donating to ministries based in Israel that are bringing the gospel to Jews and Arabs?

READER: Dear Mr. Hahn, (Re: Prophetic Speculations: Wildcatting in Israel.) I just read your “Such Jamesian Down-To-Earth Yet So Divinely Inspired Article.” I agree entirely with you on God’s wisdom in not letting Israel’s sliver of a country become a sieve due to an enraged search for oil. And if it’s to be found there, Israel would then be subjected to another kind of terrorist blackmail — the destruction of his oil fields by rocket shelling. Moreover, oil money would drive Jacob’s Children into hell-deep corruption. This will come in any case as God’s word has warned us in Revelation. But not until then. What I want to add is the relevance of Psalm 23’s 5th verse to your article: “Thou preparest a table before me in the presence of mine enemies: thou anointest my head with oil; my cup runneth over.” Israel’s “cup runneth over” in more than one kind of riches, the least of them not being its inventiveness in the technological field. [...] God bless your ministry Mr. Hahn. — **L.N.**

READER: When I read my Bible, God gave both Israel and the Arabs much land. He blessed them both. Some of the lands were given to Israel as an everlasting covenant; some were taken by force from Israel; some they gave back in the hope of securing peace. So much of that land is full of oil that Israel no longer can claim because of these evils ... and yes, in God’s timing, Israel will be the wealthiest nation on earth. All that was taken will be back in their possession. Many Christians like to make [allegories] of Scripture and [instead] need to take it literally. Any way you look at it, to bless Israel is to be blessed; to not support her is to be cursed. God knows all our hearts. Israel is my family that I was grafted into, (but did not replace). She is God’s heart forever. [...] So wherever I stand, I will stand with Israel, not to forget that Israel will stand forever. — **K.**

READER: Christians pray and God allows us to be part of His plan! This is all too obvious and you are all too negative! I have been blessed with many others in being part of fulfillment of prophecy concerning Israel. Such results are too numerous to count. Bringing Jews back from the former Soviet Union and even Iran ... etc. [...] I believe God will teach you through John Brown a great lesson on patience. For some reason patience, seems to

be a major quality God really loves in us! — **M.S.**

EVR: Yes, Israel being back in its land is an exciting fulfillment of prophecy. The Bible clearly prophesies that this will happen. But, where are the prophecies that conclusively prove that huge oil deposits will be found in the “sliver” of Israel in the premillennial age?

READER: Just a quick note to let you know I enjoyed your article “Prophetic Speculations: Wildcatting in Israel?” on Bible Prophecy Today. I’ve wavered back and forth about investing in Zion Oil, but in the end felt it was elevating emotion above logic and sound investing principles. They may very well find oil some day, but then again, maybe not. God has a plan either way. — **J.C.**

READER: [*This question is excerpted from a lengthy letter received in German. It is translated here in abbreviated form.*] Thank you for the Mitternachtsruf issue of #09.2010. May I make the following observation: The puzzle of Daniel 7:24 will be more easily solved if one does not try to relate the beasts of Daniel 7 with the one shown in Revelation 13. While they both have 10 horns, they are not related.

EVR: We have not found Daniel 7:24 a puzzle, but rather to the contrary, an important key. In any case, your question is both important and foundational. Indeed, how can we determine that the 5 separate visions of a 10-fold union of nations (kings) that we find in the Bible, are all pointing to the same future prophetic occurrence? Or are they in fact different? We find these visions in Daniel 2, 7 and Revelations 12, 13, and 17. In each of these visions there is the common element of 10 kingdoms or kings. In Daniel 2 they are shown as 10 toes; in the four other visions all have 10 horns. Each vision provides both common and unique information about this prophesied future power structure that will dominate the earth. If all 5 visions are treated as envisioning the same future 10 kings, then the collective information provided is very instructive. Revealed are clues and details that allow us to conclude that the 10 horns are on the 7th head of the alternately portrayed 7-headed beast seen in Revelation 12, 13, and 17 and that these final 10-kings will come out of the “Roman peoples” (Daniel 9:26). The question here then turns on the elements that are common, therefore supporting the case that these 5 visions are indeed related. You choose to conclude that the beast shown in Daniel 7 is different than the beast shown in Revelation 12, 13, and 17. Indeed, it is different. Each of the beasts shown in Revelation are also shown to be different in the sense that different features are being portrayed. Each vision is intended to show a different emphasis or role of the same beast, these representing the heinous, Satan-led, dominating civil power structures of mankind down through Bible history. The germane question however centers on the identity of the components of each of the visions. In Daniel 7, the final and fourth beast seen by

Daniel is only shown to have four heads and not seven as described for the Revelation beasts. Why? The Holy Spirit only showed Daniel what is to come ... not what had been. (See Daniel 7:17, 10:14). In contrast, John the Revelator was charged to “Write the things which thou hast seen, and the things which are, and the things which shall be hereafter” (Revelation 1:19). Therefore, Daniel, only sees the kingdoms from his time forward, not including the two that had already passed. John, the Revelator, on the other hand, is shown the entire history

of the world-dominating Gentile nations that played a role in oppressing the Hebrews and their progeny down through history. Finally, I lay out five reasons why the beasts of Daniel 7 are related to the beasts shown in Revelation 12, 13 and 17. Firstly, there are many common elements ... in fact, so many that we must not conclude that these visions are unrelated. I will list these shortly. Secondly, the Bible is a consistent document as it is inspired by the same Spirit. It may be transmitted through different writers and beholders of visions, yet the basic symbolism employed remains consistent. The symbols found in Revelation can almost all be found elsewhere in the Old Testament. As such, when Daniel speaks of 10 horns that represent 10 kings (Revelation 7:24) why should we not be alerted to connect this statement with the “the ten horns which thou sawest are ten kings” mentioned in Revelation 17:12 (and symbolically also in Chapters 12 and 13)? Thirdly, further illustrating that we are here dealing with a consistent Bible, all instances of 10 horns appearing in the Bible are shown to be a future, prophetic event. Why then, especially in view of many other commonalities, would one conclude that Daniel’s visions are unrelated to those of the beasts in Revelation. That brings us to the fourth point: The only book of the Bible that has strong parallels to the book of Daniel — and this in many respects — is indeed the book of Revelation. This being the case, it would not be surprising that the 5 visions we are here critiquing (2 from Daniel, 3 from Revelation) would in fact be related. Next to the 5th point: Critically, all of the facts and characteristics of the beasts and 10 horns presented in each of the 5 visions do not contradict each

other. To the direct contrary: Just as in a jig saw puzzle, once the correct arrangement has been determined, we discover that all the pieces fit in a remarkable order. This is also the case with these five visions. Finally, returning to our first point, all the commonalities of the beast and its 10 horns shown in Daniel 7 with the pictures of the beast found in Revelation are compared in the abbreviated exhibit on this page. I count at least 13 connections and similarities. Coincidence? No. In my view, the visions of Daniel 7 certainly connect with the 3

Beasts of Daniel 7 and Revelation 12, 13, 17 Related?

Image or Reference	Daniel 7 Vision of Terrible, 4th Beast	Rev. 12	Rev. 13	Rev. 17
Power over the saints?	Yes 7:27	Yes 12:17	Yes. 13:7	Yes 17:6, 18:4
Afflict Jews?	Yes 7:27	Yes 12:13		
Beast named	Yes. All 4 individually as beasts	Yes	Yes	Yes
Origin of Beasts?)	All 4 come out of sea.	“sign appeared in heaven” (12:3)	“coming out of the sea.” (13:1) 2 nd beast comes out of earth (11)	“[...] who sits on many waters.” (Rev. 17:1)
8th King	Yes, Dan. 7:24		Yes, 13:7 (Given mouth for 42 months)	Yes
10 toes				Multipolarism
10 kings	Yes, 7:24, “10 horns are ten kings”			Yes, 17:12 “ten horns are ten kings”
10 horns	Yes 7:7, 8, 20, 24	Yes 12:3	Yes, 13:1	Yes 17:3, 7, 12, 16
“leopard”	Yes, 3 rd beast		Yes, 13:2	
“bear”	Yes, 2 nd beast		Yes, 13:2	
“lion”	Yes, 1 st beast		Yes, 13:2	
“beast”	7:5, 6, 7, 11, 19, 23) (mentioned 8 times)		13; 1,2-2,3-2,4-3, 5, 8, 11, 12-2, 14-2, 15, 17, 18 (mentioned 18 times)	17:3,7,8-2, 11, 12, 13, 16, 17, (mentioned 9 times)
kingdoms	“great beasts are four kingdoms” Dan:17			Hills are a picture of kingdoms

beast visions of Revelation.

READER: I was reading your article on the European Union and the Roman Empire. While doing so, ten countries came to mind that are somewhat joining in alliance right now; however, they are not in Europe. They do control a lot of oil reserves. I would not think these are the countries in question, but the number does conveniently equal ten —Egypt, Syria, Lebanon, Turkey, Afghanistan, Iran, Iraq, Pakistan, Yemen, and Saudi Arabia. — **K.F.**

EVR: There are indeed some who do hold the view that all 10 countries (10 kings mentioned in Daniel 7 and Revelation 7, as well as several other times through symbol) will all be predominantly Muslim/Arab. However, if we consider all the criteria for the final ten nations (kings), this theory does not meet all of them. Certainly, some of the final 10 could be Islamic. But again, for this to occur, we would need to see some dramatic world geo-political shifts that would allow sufficient imperative for both Muslim and Western nations to come together into a happy and congenial group of ten. This group would need to be unified in the objective of giving their support and authority to the Antichrist. This seems rather unlikely by the light of today. However, we cannot conclusively prove that this could not happen in the future. Among a number of other reasons why the “Muslim/Arab theory” (using the list of nations that you cite) is unlikely, is the fact that Iran also falls under the exclusion mentioned in Revelation 17:12. Iran had already long existed by the time that Apostle John wrote the Apocalypse. In fact, Iran itself represents one of the heads on the beast that is depicted with 7 heads and 10 horns in Revelation 12, 13 and 17. A country cannot be both a “horn” and a “head.”

READER: Dear Brother Hahn, Blessings in Christ's Holy name! I really appreciate the Spiritual insight you offer in the *Eternal Value Review*. It is a read that I look forward to each and every time that you publish it. Thank you for keeping me active on your e-mail list as I have often used past copies to give to non-believers as a way in which to witness to them. Again thanks for your witness. — **J.C.**

READER: Sir, thank you for your interpretation of today's financial climate change in the light of what The Book says. You defogged my perception of gold as an investment option. Thank you. — **J, Fiji Islands**

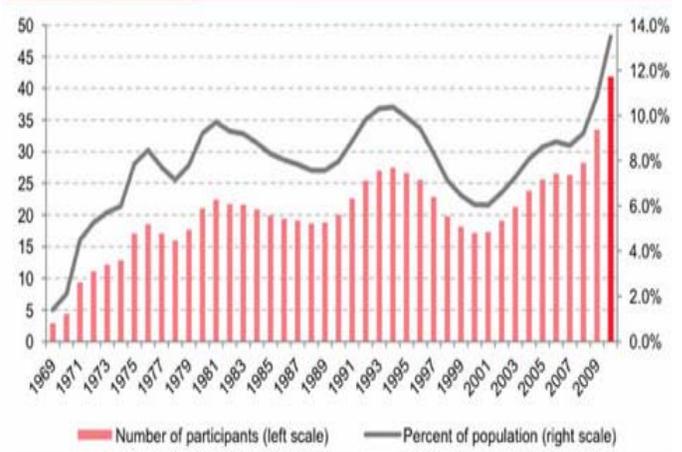
READER: My husband and I attended the Hope conference in Regina, Saskatchewan. We are so thankful that you have taken your area of expertise to inform the church of what is happening globally. We found the conference to be very life changing for us. We were so encouraged to love the Lord with all our hearts, seek His Word and let the Lord use us to influence those in our agricultural region. Thanks again. — **L&RT EVR**

The Best of Times; the Worst of Times

... cont'd from back page.

Despite buoyant corporate profits, an ever larger proportion of American households require food stamp aid.

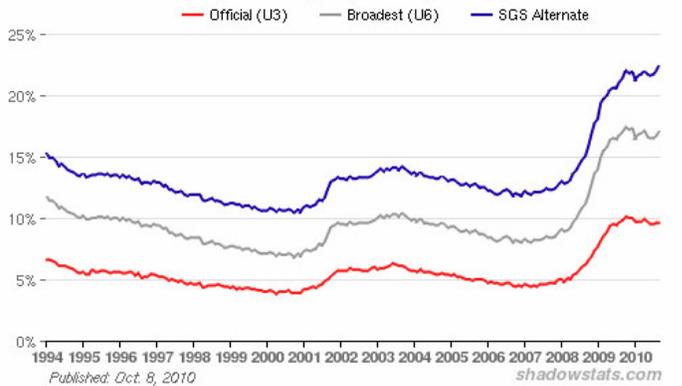
An amazing 42 million Americans now on food stamps



Source: USDA

Unemployment in America is at the worst state since the Great Depression of the 1930s.

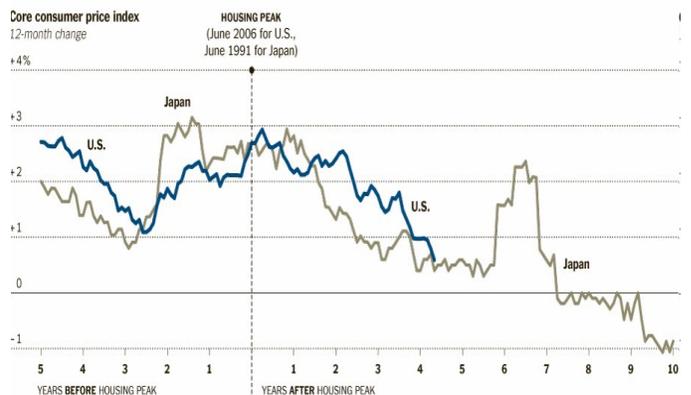
Unemployment Rate - Official (U-3 & U-6) vs SGS Alternate
Monthly SA. Through Sep. 2010 (SGS, BLS)



Nothing yet indicates that the fate of America and other countries will not suffer the deflationary fate of Japan.

Following Japan's Path, So Far

In the United States, the core consumer price index, which excludes food and energy prices, rose 0.6 percent in the 12 months through October. That was the smallest 12-month gain since the government began calculating the figure in the 1950s. The chart shows the 12-month changes in core C.P.I. for the United States and Japan, in the years before and after housing prices peaked in each country.



Sources: U.S. Bureau of Labor Statistics, Japanese Ministry of Internal Affairs and Communications, via Haver Analytics

EVR

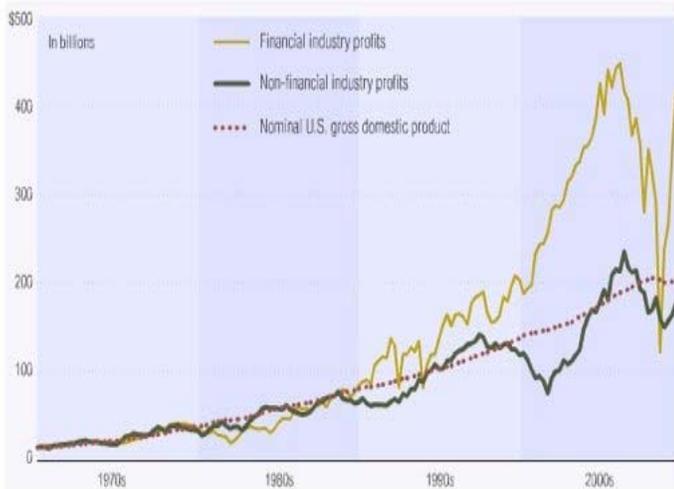


Personal Perspectives

Different Realities: The Best of Times; the Worst of Times

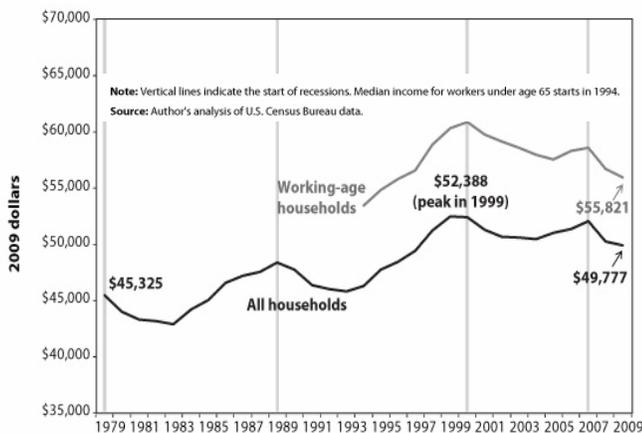
While financial markets generally remain buoyant, one may be surprised to learn how dire conditions are for some households and sectors. The financial and real economies have been decoupled. But for how much longer? Why is the financial world seemingly operating in its own orb? This is occurring for a number of reasons ... most of them related to manipulation and corruption. Even though financial market could yet enter into a misleading asset mania, real underlying conditions continue to worsen for America and other nations at the present time. The following are a selection of graphs that tell a more realistic story of the current times.

The financial industry again at the profits trough, after being bailed-out by taxpayers.

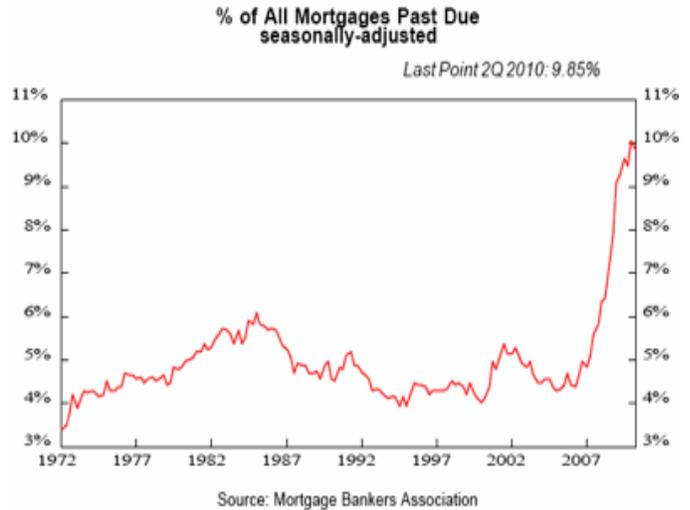


For the first time in America's history, real income of the median household is declining.

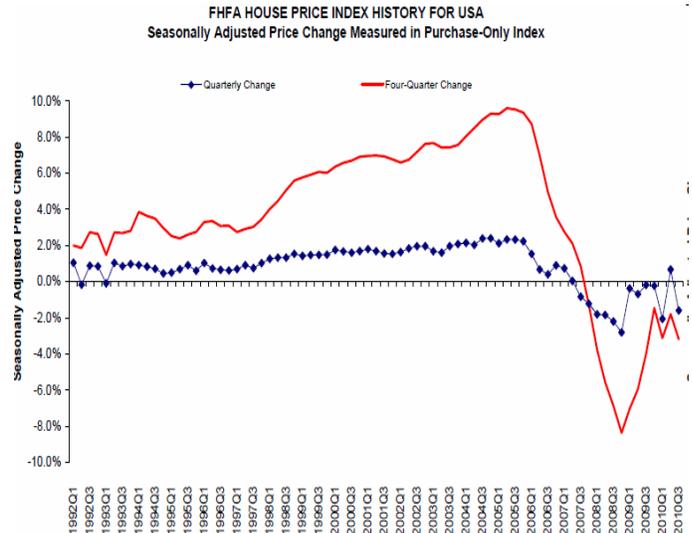
Real median household income, 1979-2009



The rate of foreclosures on residential mortgages remain stressfully high ...



... even before a second dip in real estate prices is beginning.



Yet, corporate profits and cash hoard are at all time highs. Relative to GDP, profit levels are far above historical averages.

After-Tax Corp. Profits with IVA and CCAadj / Nominal GDP percent

