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## Endtimes of Crisis: 10 Perspectives to Gain Peace and Real Riches — Part I

By Wilfred Hahn

It seems everyone has become an armchair economist—from politician, to taxi driver and priest. Lately, of course, they are all prophesying the same morose vision: blackness and doom as far as the eye can see. We all understand why this is so. Most everyone gets their information from the same sources (supplied by the same four or five news feeds) and reads the same front-page headlines. And, these all are full of gloom and doom.



This would be all the more troublesome, except for one fact: While other cultures would consider plagues, pestilences and famine the worst that could be feared, our high-income society considers one thing worse: the destruction of wealth. Our ultimate definition of disaster is a materialistic one, referring narrowly to the ups and downs of “cyberbits,” financial assets, home values, cyclical patterns in employment and commerce, and other such things.

We need to stop right there and reorient ourselves to an eternal, Biblical perspective. Why? For one, these are times

of great deception and idolatry. Who is not disoriented by these prevailing secular values? Secondly, a Biblical view of our times, grounded upon truth, is the only one that promises peace and contentedness. Thirdly, such a long-term perspective can lead to bulging heavenly riches that will be eternally secure from Wall Street charlatans and the present earthly domain, “where moth and rust destroy, and where thieves break in and steal” (Matthew 6:19).

These are the objectives of this 3-part series: In these troubled times to find peace, contentedness and to “store up for yourselves treasures in heaven” (Matthew 6:20).



Let's briefly go back to the frenetic times we now see around us. Viewed from the popular vantage point, indeed, calamity has fallen upon the world ... and most terrifyingly upon America. Woe! Can't everyone see that things look dire and grim? Trillions of dollars have been lost; the value of our mutual fund holdings has collapsed; pension funds have been eviscerated of future income support; millions are losing their jobs; and countless thousands are being evicted from their homes. Some even maintain that the apocalypse has begun. Doom is upon us. We must rise and do our duty and tell someone.

Whoa! Already, we must again break from the hysteria that so quickly threatens to overwhelm our souls at this time. Let's remain at rest from all the gloom and populist pontificating for the balance of this article series. We do not dispute that commercial challenges have fallen upon the world. However, we do need to get a grip upon a more realistic perspective ... on what is really unfolding. But, before doing so, let's first ensure an appropriate state of mind by acknowledging the point behind Christ's statement: "Who of you by worrying can add a single hour to his life?" (Luke 12:25).

Let's realize that spiritual and eternal views—in other words, perspectives on the real issues that matter for the long-term—are being overlooked. Also, recent world developments should be viewed in the context of the rapid, end-time processes enveloping the world. All in all, the anxious popular view at present is dangerously out of focus, particularly so in North America.

Please consider these next 10 perspectives and then join me for some concluding comments. Hopefully, we will succeed in reaffirming essential eternal values and secure a realistic van-

tage point upon our times. People indeed are having trouble with a very basic question: How now should we live? We want to restore hope and thankfulness. After all, we are reminded that no matter what challenges and troubles may roil the sphere of this world, "For in him we live and move and have our being [...] We are his offspring" (Acts 17:28). Surely the Lord has not abandoned us.

**1. Traveling With the Crowd.** To begin, if you are relying upon newspapers and mass media to inform your worldview—let alone your economic opinions—you are vulnerable to being carried away by the crowd and becoming confused by the noise.

You will become prey. Crowds are usually wrong and misdirected.

To avoid that critical error, here are some general rules. First, you must always look past the sensationalist headlines...

well past them. Why? Remember that all reported news concerns the past. By definition, news only refers to trends and events that have already happened. While that may seem a redundant statement, it highlights an important point: People are more influenced by what has happened in the recent past, than by what is a reasonable expectation for the future. Therefore, most people (including professional economists, for that matter) extrapolate past trends into the long-term future. This rarely yields a correct perspective.

Secondly, as Malcolm Muggeridge once famously coined, the "media is the message." We are reminded that the media is the world's collective mouthpiece of humanistic perspectives. It likes to perpetuate the idea that only what is in



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the focal eye of the populist media is the essence of the current moment of human existence. Not so. No matter how the world may choose to view the significance of the times, our perspectives are to be framed by a Biblical worldview, recognizing that the "ecclesia" are those who are called out from the world. Jesus said we "are not of the world" (John 17:16). Again, "I have chosen you out of the world" (John 15:19). The world's opinions are usually not relevant to the Christian life. You, therefore, need to screen the message of the media.

Lastly, we want to be alerted to the pull of mass psychology and the idiocies produced by the crowd. The distribution systems of modern media have become so pervasive and broad; they wield near total clout over the opinions and mood of societies (also now even over all of mankind). As such, when the majority shares the same fears, beliefs or greed, it is difficult to maintain an independent course. Moreover, it is the nature of cliques and sundry crowds (therefore, also the world) to hold irrational beliefs and to be wrong and misguided. Even those that are widely thought to be wise, are proven to be fools. "For the wisdom of this world is foolishness in God's sight. As it is written: 'He catches the wise in their craftiness'" (1 Corinthians 3:19).

What all these points implore is that we remain critical and independent of the populist philosophies of the media and our clique, as well as statistics. We



need to think for ourselves as to the significance, dangers and opportunities of the financial and economic bedlam of recent times. Rather than looking backward, we should be looking forward. It is not unbiblical to do so. To Isaiah, the Lord said: "Forget the former things; do not dwell on the past. See, I am doing a new thing! Now it springs up; do you not perceive

it? I am making a way in the desert and streams in the wasteland" (Isaiah 43:19). Said Apostle Paul, "Forgetting what is behind and straining toward what is ahead, I press on toward the goal to win the prize for which God has called me heavenward in Christ Jesus" (Philippians 3:13-14). Let's not allow the past to dictate our future, whether in perspective or deed. Moreover, do not fall prey to the manias and irrationalities of crowds.

Just where should we find our information about the future, at least to the extent that this is available? The popular media? If so, you'll need to wait until the future is reported after the fact. Discerning, Bible-reading people can do much better than that, as we will learn in the next nine points.

**2. Rising Above Lies and Selective Statistics.** While the popular focus of crowds can be dangerous to our perspective, so could our interpretation of information and statistics. Most everyone is familiar with the quote from Benjamin Disraeli (the first and only Prime Minister of England of Jewish heritage): "There are three kinds of lies: lies, damned lies, and statistics." He said this



back in the mid-1800s. Today, statistics are many times more treacherous than at that earlier time. We sadly cannot give this important topic its due in this short space. Suffice it to say that statistics have become a very sophisticated and deliberate form of deception in the public sphere. Under the guise of seeming precision, statistics can deliberately lead to misinformation. Particularly in respect of economic data, very few people are able to reliably interpret statistics.

During my time as a research director of a major Wall Street firm, one of my biggest concerns was always the misuse and ignorant interpretation of statistics. All analysts know how to produce reams of statistics, but very few can validly interpret them to draw out their underlying causal meaning.

You may be surprised to learn that statistics do not have a claim upon truth. Far from it. Nor can statistics be used to reliably predict the future. With respect to economic data (almost all of it portrayed in the form of statistics) there is also the practical matter of first understanding the definition of the data. To briefly illustrate this aspect, consider the significance of the following statement:

March 6, 2009 (Bloomberg)—“The U.S. unemployment rate jumped in February to 8.1 percent, the highest level in more than a quarter century, a surge likely to send more Americans into bankruptcy and force further cutbacks in consumer spending. Employers eliminated 651,000 jobs, the third straight month that losses surpassed 600,000—the first time that’s happened since the data began in 1939, Labor Department figures showed today in Washington.”

Reading this, you may be led to conclude that employment conditions today are the worst since 1939. Actually, the reader has not been given enough information to draw a firm conclusion of any

kind. You would first need to know the definition of “unemployment” (a definition that has changed many times over the years) and to be able to place this statistic in historical context. In reality, US unemployment conditions in the past have been much worse than was quoted above (for example in 1982, when unemployment under the definition of that time hit 9.7%). Of course, the population of the US and the size of its workforce (another concept that is subject to somewhat arbitrary measurement and definition) are some three times larger today than in 1939.

In any case, the news services that choose to portray this information in such a sensationalist form obviously have an agenda. They sell news, and pessimistic headlines surely sell newspapers. We discover here that statistics were interpreted and presented in a very biased fashion. This can contribute to the emotional swings of crowds.

Our simple illustration, of course, was not intended to deny that recent economic downtrends are significant and to say that joblessness is not rising. The point here was simply to raise awareness that statistics can be a powerful tool of misinformation, both intentional and accidental. You need not be so deceived. Strive to tease out the truth from statistics—the closest semblance to reality possible—rather than uncritically accepting a biased portrayal. Secondly, consider how economic data, which is always backward looking and often subject to “spin,” may influence the popular mood and psychology of crowds.

**3. What Goes Around Comes Around.** If you were a discerning person, you likely would not be surprised by the news now being reported by media scribes. For several reasons, you would have already known that mankind’s economic systems have cycli-

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cal patterns. You realized that financial economies are driven by fallible, fleshly humans, who are not always rational and logical.

Secondly, you knew that since time immemorial, the ebb and flow of commerce has coursed through ups and downs: steps forward and backward. Sometimes, such trend changes were caused by external shocks such as droughts or various natural calamities. At other times, such as of late, cyclical monetary and economic systems have been the cause. That economies should experience recessions followed by expansionary periods is little different than the regular cycles found in ecosystems.

That said, every now and then—and much, much more frequently than the merchants of perpetual prosperity would like you to believe—big economic and financial busts do occur. Therefore, these types of busts are also quite normal. Yet, most people are always shocked and surprised when these downturns come. They may have become swept up in the popular idolatries of the times; chased after false gods of prosperity and improper affections; believed the populist misinformation of demagogues, politicians and economists alike; forgotten that the god of this age is a great deceiver; or simply listened to an ill-informed stockbroker.

There have been countless domestic economic recessions over the last century around the world ... in the many thousands. There also have been many crises that included banking and currency collapses, not to mention deep recessions. A research paper issued by the International Monetary Fund (IMF)<sup>1</sup> counts over 42 instances around the world where all three occurred between 1970 and 2007 alone. Over this period, over 124 currency crises have happened.



Much less frequent but normal are the big downturns—the really big collapses involving economic depression, banking system implosions and sometimes global financial contagions.

A recent report series studies 21 such “mega” occurrences over a little more than a century.<sup>2,3</sup> The more recent examples include Japan (1991), South Korea during the Asian crisis a decade ago, as well as Sweden (1991). What must we conclude from such studies? For one, big crises do happen fairly regularly and the one impacting the US and other nations around the world at present is not much different in character (at least, to date). The follies of mankind that crest from time to time have occurred for millennia. Says the writer in Ecclesiastes, “What has been will be again, what has been done will be done again; there is nothing new under the sun” (Ecclesiastes 1:9).

That said, while there may be similar patterns, there are significant differences in the details. Also, we must consider the cosmological timeline and destiny of mankind. The state of humanity and its systems today is much later in the eschatological timeline, of course. Yet, we could safely conclude that the current financial crisis period being experienced in North America and the world today, would



still qualify as occurring during the days where “[...] People were eating, drinking, marrying and being given in marriage [...] buying and selling, planting and building”(Luke 17:27-28). That means that the Rapture could happen at any time and that Christ’s return may be very soon.

The current financial crisis (as apocalyptic as it may seem to North Americans) still qualifies as a regular part of human existence. As George Friedman (the intrepid geopolitical expert of Stratfor) puts it “There will be wars, there will be poverty, there will be triumphs and defeats. There will be tragedy and good luck. People will go to work, make money, have children, fall in love and to hate. That is one thing that is not cyclical. It is the permanent human condition.”<sup>4</sup> Though it may feel as such to some people, the Great Tribulation has not yet begun. You can be sure that the economic and financial collapses will be much greater at that time, as it will then be a result of the wrath of God himself.

Before we move on to the next of the 10 points, would you be open to some further historical perspectives on the severity of the present crisis? Compared to the average historical experience of the 21 major financial crises (referred to earlier, and also including the 1930s Great Depression in the US), the recent downturn in America to date is already far advanced. For example, consider that the average stock market decline during those 21 periods was a drop of 55% in real terms (meaning adjusted for inflation). By comparison, US equity markets have already fallen over 60% in real terms during the current experience (based on the S&P 500 stock mar-



ket index, peak to trough). Whereas real prices of housing declined an average of 36% over the 21 sample periods, this is already near being exceeded in the US (perhaps cumulating to a total real decline of 45% or so by the end of 2009.)

It may very well be true that the worst is already behind for this stage of the unfolding troubles. Time will tell. But we must also

recognize that our brief comparisons have only referred to the average “crisis experience” in our sample set, and not the worst. Therefore, further deterioration is possible. That said, it remains a reasonable guess that the worst is already behind. Yet, at the same time we forget at our peril that mankind’s monetary systems are fiat contraptions that are expressly designed for purposes of manipulation. In times past, when all else has failed, policymakers have always resorted to policies leading to massive inflation. Given the recent actions of major central banks, this outcome is surely underway at present. We will ponder its implications and challenges—the next phase of troubles. (MC)

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#### ENDNOTES

1. IMF Working Paper: “Systemic Banking Crises: A New Database,” prepared by Luc Laeven and Fabian Valencia, September 2008.
2. Carmen M. Reinhart & Kenneth S. Rogoff, “This Time is Different: A Panoramic View of Eight Centuries of Financial Crises,” April 16, 2008.
3. Ibid, “The Aftermath of Financial Crises,” December 19, 2008.
4. George Friedman, “Overture: An Introduction to the American Age” (John Mauldin, Outside the Box Special Edition).