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# Crisis of Virtue: Lying and Stealing Escalates

By Wilfred Hahn

To the disappointment of many policymakers and economists around the globe—not to mention the millions of captive households in North America and around the world—the Global Financial Crisis (GFC) continues. *Midnight Call* readers will likely not be surprised.



Previous columns in this space have excerpted some key sections from the 2009 book, *Global Financial Apocalypse Prophesied: Preserving True Riches in an Age of Deception and Trouble*. The book remains as relevant as ever, explaining why and how this current global crisis is only the beginning. (Authored by this writer, it is available from *Midnight Call*.) Most important, unlike other works on present day finance and economics, it focuses on the Biblical corroborations of the views presented. In fact, its conclusions strive to be obedient to Scriptures and Bible prophecy ... the future written in advance.

Such Biblically-derived perspectives are not warmly welcomed in the secular field of financial and political economics. Not infrequently, commentators employ the tactic of discrediting the secular writings and research of this writer because of a professed Biblical worldview. It is a tired and cowardly tactic. Few have the courage to debate the “eternal values” that they feel may affront their preferred humanist worldview.

Be that as it may, following is a short excerpt from a recent issue of one the secular publications that this writer publishes. It reemphasizes the view of many previous articles, not to mention the book, *Global Financial Apocalypse Prophesied* (GFAP).



“The orbit of the rocket craft again begins its decay, drawn by the gravitational pulls of deleveraging, decelerating government stimulus and careening debt levels. Just what will supply another booster stage? We don’t see it.”

Our view is that, no, the Global Financial Crisis (GFC) is not over. Put simply, it is only morphing into new forms. The GFC continues. We may seem to be fixated on this topic [...] this horrendous shock to the developed nations of the world. And, it is true, that very few any longer comment on GFC-related issues, believing that it is a subject of the past. [...]

It is a misleading perspective. How so? Firstly, the causes of the GFC have not yet been rectified ... let alone agreed upon by policymakers. Secondly, three years later, underlying conditions for the world’s commercial systems are now even worse than before, their vulnerability to further outbreaks of crisis heightened. Of course, this is not the popular or prevalent perception. But, this would not be a surprise. Why?

Governments and transnational organizations have simply transformed the original form of the crisis—namely, collapsing real estate values, insolvent banks, overindebtedness in the private sector, and the subsequent global demand shock—into another temporary one. The latter now takes the form of massive public overindebtedness (government debt), unsustainable budget deficits and over-inflated financial markets. These are conditions that cannot continue indefinitely. That means it must stop. But at what point?

Already, the consequences of post-GFC actions are clearly evident and clear to see. For instance, much of the European banking system and the European Central Bank may be technically insolvent due to the collapse of Greek and Portuguese bond markets. We will repeat this: Based on current market values, these financial institutions may now be insolvent. But why have world stock and bond markets hardly tremored?

Summing up the post-inception GFC period, virtually all the world’s policymakers and monetary chieftains huffed and

puffed as never before to reflate world economic growth. They have been trying to out-run past errors and the deflationary maws of deleveraging and insolvency. The recovery momentum of both economies and financial markets—whether sham or real—cannot yet be conclusively said to have attained “escape velocity” ... certainly not for the U.S., UK, Ireland and a host of others countries.

The “rocket fuel” and “bungee cord” analogies that we have used in our commentaries of recent years are again timely to reconsider. Now, the rocket fuel is near spent; the rebounding elastic cords of inventory rebuilding and pent-up demand are losing their thrust. The orbit of the rocket craft again begins its decay, drawn by the gravitational pulls of deleveraging, decelerating government stimulus and careening debt levels. Just what will supply another booster stage? We don’t see it.<sup>1</sup>

Events of this year to date have certainly vindicated these comments, no matter that the analyst may be a Bible-believer. We have spared the reader the detailed economic theory that may be argued in these secular forums. But just why is it that the Global Financial Crisis is continuing? Are these merely matters of finance and economics? Hardly. These are only the symptoms of the problem.

### Root Causes

George Friedman, geopolitical analyst extraordinaire (and CEO of Stratfor), commenting on the continued global financial and political crisis, expresses this insightful opinion:

No regulatory system works if it is not enforced. No reform is meaningful if it is not going to be enforced. The crisis is the perception, not that there was not regulation, but that no one enforced the regulation. The crisis is not that new regulation is not emerging, it’s that they won’t be enforced



anyway. I'll put it this way: this is a crisis in virtue—in the virtue of the political leadership, in the virtue of the financial leaders. There's expected to be a certain degree of self-restraint and moral probity. You can't substitute regulations for that, and you can't worry about whether or not they're going to be enforced in the future.<sup>2</sup>



His view aligns with the Bible (though perhaps not deliberately so). It is rare that mainstream analysts discuss such issues as “virtue” and “morals.” The prevailing school of thought promoted today, in the fields of political and financial economy, is that these arenas operate outside of the effects of “virtue” and “morality.”

The truth of the matter is that the “crises” we observe in the world today, find their root in the hearts of mankind. “We all, like sheep, have gone astray, each of us has turned to his own way; and the LORD has laid on him the iniquity of us all” (Isaiah 53:6). This condition expresses itself globally in the last days. Prophecies David about these times: “The LORD looks down from heaven on the sons of men to see if there are any who understand, any who seek God. All have turned aside, they have together become corrupt; there is no one who does good, not even one” (Psalm 14:2-3; 53:2-3).

A period similar to the days of Noah again would occur when “the wickedness of man was great in the earth, and that every imagination of the thoughts of his heart was only evil continually” (Genesis 6:5).

### Greed and Rotting Foundations

One does not need to be a geopolitical expert to recognize that greed, self-interest and corruption at the highest levels, have completely rotted out the founda-

tions of many societies. One would have to be spiritually blind to not recognize the destructive influences of greed.

It is not a problem that affects America alone. In fact, corruption is no worse in America than anywhere else. The same, though in varying degrees, applies to all nations ... most certainly European leadership, China and all others. Most pointedly, the greed of “elites” is rife. (See the 2-part article series, “Last-Day Oppressors: Honored Elites & an Indebted World Order,” MCM April and May 2010). It expresses itself in many ways, no matter whether a country is communist, democratic, a kingdom or a caliphate.

In the West (but increasingly so in the non-advanced nations), corporate interests have become extremely influential and powerful. While one does not need to agree with all of his views, Noam Chomsky's observation in this matter certainly aligns with this author's experience in the corporate world:

Corporate power's ascendancy over politics and society by now mostly financial—has reached the point that both political organizations, which at this stage barely resemble traditional parties, are far to the right of the population on the major issues under debate.

Meanwhile new gifts are regularly lavished on Wall Street. The House Appropriations Committee cut the budget request for the Securities and Exchange Commis-

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sion, the prime barrier against financial fraud. The Consumer Protection Agency is unlikely to survive intact.

Two major elements were financialization (the shift of investor preference from industrial production to so-called FIRE: finance, insurance, real estate) and the offshoring of production. The ideological triumph of “free market doctrines,” highly selective as always, administered further blows, as they were translated into deregulation, rules of corporate governance linking huge CEO rewards to short-term profit, and other such policy decisions.

The resulting concentration of wealth yielded greater political power, accelerating a vicious cycle that has led to extraordinary wealth for a fraction of 1 percent of the population, mainly CEOs of major corporations, hedge fund managers and the like, while for the large majority real incomes have virtually stagnated.<sup>3</sup>

### Rampant Lying and Stealing

We see that worldwide greed and a crisis of virtue is unfolding. What does the Bible have to say? An exposition of Zechariah 5 provides a window on these trends that the world is experiencing today. A two-part article series entitled “Flying Scrolls and Baskets: A Vision of Today,” outlined a connection (MCM May and June 2007 issues). It ties in directly to the commercialized corruption that we see enveloping the world today. Amazingly, this short chapter of only 11 verses, contains two separate but important visions of the endtimes. Readers may recall the account of a giant scroll that is levitating in the air (verses 1 to 4). Right after this, the angel speaking to Zechariah shows him another vision. We then see a strange picture of an ephah (measuring bas-

ket) being carried by two women with the wings of storks.

We concluded that the false witness (lying) and the stealing being mentioned specifically had to do with the global idolatrous commercialism and corruption of all human life on earth in the last days, depicted in the second vision. Pinpointed were the two sins that are mainly responsible for the filthy idolatry that was shown in the flying ephah—lying and stealing.

Encompassed in these visions, we concluded, was everything from the elevation of manipulative and global monetary systems, fiat money, capitalism, competitive globalism based on the vested interest of intertwined worldwide trading systems, accounting shenanigans, corporatism and debt-based wealth to grand larceny. All together it represents that heaving mass of Mammonism—a world that has chosen Money over God.

According to the visions, the corrosiveness and imbalances of these systems literally consumed “the timber thereof and the stones thereof” (Zechariah 5:4), this symbolizing the collapse of mankind’s globalized foundation. For such systems to prosper—prospering here meaning nothing more than giving the semblance of success, though its underpinnings are deceitful and not sustainable—they depend upon two impulses alone. What are these? To no surprise, the very two sins of stealing and false witness.

Current trends and events most certainly reflect a rise in “lying and stealing,” as these continue to become more organized, sophisticated and globalized than ever before in history.

Here is just a smattering of representative trends that could be cited.

- According to the U.S. Bureau of Economic Analysis (BEA, and we here





quote from a Special Report of the Bank Credit Analyst dated May 24, 2011) margins of overseas business have swung up relatively suddenly. Between 2000 and 2008, profit margins of overseas management companies (most of these just a mail drop on a sub-tropical island somewhere) rose from 25.8% to 57%. Alternatively, segmenting overseas profits by country, we discover that profit margins in “Other Western Hemisphere” exploded from 37% to 103.7%. That category is a catch-all that includes most tax havens. We are not sure how a profit margin can be greater than 100%. But apparently, this is now possible in the corrupt and weird world of multinational corporation profits.

- A 2009 study showed that 18 out of 20 psychiatrists who wrote the American Psychiatric Association’s most recent clinical guidelines for treating depression, bipolar disorder, and schizophrenia had financial ties to drug companies. Not surprisingly, in 2008, with over \$14 billion in sales, antipsychotics became the single top-selling therapeutic class of prescription drugs in the United States.

– Aljazeera.net, July 12, 2011

- In the United States, UNODC estimates that smugglers are paid around \$7 billion to bring 2.7 million Latin Americans over the border every year. Though it would seem as though this equates to a \$7 billion outflow from developing countries, in fact this amount is more than made up in the \$20 billion in remittances which migrants send back to Latin America every year.

- In January 2011, approximately 300 economists signed a letter urging the American Economic Association (AEA), the world’s largest association of economists, to adopt an ethics code.



The letter cited a study that found that the vast majority of economists did not reveal their private affiliations when writing academic papers on financial regulatory reform or opinion pieces in newspapers. It also cited a Reuters investigation of lack of disclosure of consulting gigs and directorships in congressional testimony. Only a handful of its 18,000 members have bothered to offer any input.

– Reuters, July 8, 2011

- The companies whose brands are copied measure counterfeiting according to how much they lose as a result of the practice. In his book, *Illicit: How Smugglers, Traffickers, and Copycats are Hijacking the Global Economy*, Moisés Naím cites an Interpol figure that estimates global commercial losses due to counterfeiting at around \$500 billion.

- The most recent report by Global Financial Integrity (GFI), *Illicit Financial Flows from Developing Countries*, found that illicit outflows have increased to a range of US\$1.26 trillion to US\$1.44 trillion in 2008 and that, on average, developing countries lost between US\$725 billion to US\$810 billion per year over the nine-year period 2000-2008. Illicit flows increased in current dollar terms by 18.0 percent per annum from US\$369.3 bil-

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lion at the start of the decade to US\$1.26 trillion in 2008. When adjusted for inflation, the real growth of such outflows was 12.7 percent.

#### Thoughts to Ponder

It is no surprise that the world's economies and financial markets today baffle observers and frustrate the theories of economists, scientists and mathematicians. They like to believe that the only thing needed to rectify current troubles is to tinker and revise (reform) their theories. However, many are very unsettled by the fact that their views have been so wrong. As such, this would only be an early foreshadowing of a future time described in the Bible: “On the earth, nations will be in anguish and perplexity at the roaring and tossing of the sea. Men will faint from terror, apprehensive of what is coming on the world” (Luke 21:25-26).

The present-day “lying and stealing” of the “elites,” align with the observations of the Old Testament prophets during the

corrupt ruling regimes of both ancient Israel and Judah.

The following verses capture the mood of similar Old Testament times: “When will the New Moon be over that we may sell grain, and the Sabbath be ended that we may market wheat?—skipping the measure, boosting the price and cheating with dishonest scales, buying the poor with silver and the needy for a pair of sandals, selling even the sweepings with the wheat” (Amos 8:5-6). We see that commerce and making money were uppermost in the minds of people.

It only follows that a materialistic society by necessity must be a greedy one. “They all turn to their own way, each seeks his own gain. ‘Come,’ each one cries, ‘let me get wine! Let us drink our fill of beer! And tomorrow will be like today, or even far better’” (Isaiah 56:11-12). “With their mouths they express devotion, but their hearts are greedy for unjust gain” (Ezekiel 33:31). We see that all of Judah's society was infected with burning greed. Gain had become the motive and incentive for all human action. Greed was certainly not limited to the heathen or the non-believer. Rather, the deceitful practices driven by greed found a home in the highest institutions of the land, including its priesthood. “From the least to the greatest, all are greedy for gain; prophets and priests alike, all practice deceit” (Jeremiah 6:13).

We see the same characteristics today, but now global in scope. We again turn to the secular observations of George Friedman regarding current crises:

You have to look at the more fundamental issue. People who were supposed to be experts in finance did inexcusably stupid things and also in the process, profited handsomely. People in the political system who were supposed to hold these people accountable and prevent them from doing these things, failed to do it. I think in most



countries we expect our politicians to steal a little money here and there on expense accounts, we expect bickering in Congress—we expect these things. But when the fundamental thing that legitimizes an elite, the financial elite's ability to manage money prudently, is violated in two ways. First, that they clearly can't do it. And secondly that they profit from it anyway. And when the politicians' obligation to stabilize the system and not let people get away with this doesn't happen, you have serious problems. So I think the problem really starts with the systemic failure of two major elites...<sup>4</sup>

We observe a crisis of virtue. It is exemplified by society's leaders, their politicians and other elites. In fact, it is a reflection of society overall ... around the world. We conclude with the same two recommendations that we often repeat:

Firstly, be warned: those who don't want to endorse the prevailing system of greed and elitism will face opposition, troubles ... possibly also economic captivity.

The second message is that there is hope: though conditions may seem diffi-

cult, and insecurities may press in from every side, Jeremiah provides a comforting promise: "But blessed is the man who trusts in the Lord, whose confidence is in him. He will be like a tree planted by the water that sends out its roots by the stream. It does not fear when heat comes; its leaves are always green. It has no worries in a year of drought and never fails to bear fruit" (Jeremiah 17:7-8). It's a simple message: trust not in gold, share portfolios and wealth. Trust in the Lord foremost, and there will be no reason to worry about droughts. (MC)

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#### ENDNOTES

- 1 Wilfred J. Hahn, The HITCH Report—Corporations, China and Complacency, June 2011.
- 2 George Friedman, Agenda: With George Friedman on a Crisis of Political Economy | STRATFOR, www.stratfor.com, Accessed August 13 2011.
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