

The Present and Future Crisis (Part 1)

Oil and the Economy

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We are going to begin this sermon in Proverbs 22: 3. This proverb is a proverb that is used quite frequently, and we are all familiar with it. I want to use it as the launching pad for this message.

Proverbs 22:3 A prudent man foresees the evil and hides himself: but the simple pass on, and are punished.

On this recent Thanksgiving Day several of the Ritenbaugh clan gathered at Ronnie and Ali Graham's home near Atlanta. At one point we were talking about the price of gasoline because Richard said that he had paid \$1.73 per gallon in Gaffney, South Carolina on the way to the Grahams'. That was a pretty low price. I think it was Diane who chimed in and said that she either saw or heard of a \$1.69 per gallon price in the same general area of South Carolina. Upon hearing this, I made it my business to make sure I stopped in Gaffney on the way back to Charlotte to take advantage of those low prices.

A little later, upon musing on this conversation, I marveled how quickly the mind will adjust to adverse circumstances. It is part of the same process of thinking in which one is taken captive and is enslaved by a cruel captor, and that one, in the process of time, ever so easily to brain-washing techniques, comes to think of that cruel captor as being one's benefactor.

In my youth I remember paying twenty cents per gallon for gasoline on at least one occasion, but now, even though the price is somewhere around ten times higher, almost anything under \$2.00 per gallon is considered to be a bargain. This thus becomes acceptable, because I perceived there is little or nothing I can do about it, and also because I want to carry on my necessary business.

This verse in Proverbs 22: 3 is an exhortation for caution in certain situations. A sensible person perceives danger and makes efforts to avoid it, but the simple, or naïve person receiving the same information, takes no precautions whatever. He acts as if he is afraid of nothing, but the result is that he becomes a victim of circumstances he should have feared and taken steps to avoid.

In our time people are doing something that is common for all of mankind on earth. Common ordinary people, as well as the government, are spending money as though there is no tomorrow. Rather than fearing debt, and exercising caution, they plow ahead, instead of delaying gratification of desire.

Proverbs 22:7 The rich rules over the poor, and the borrower is servant to the lender.

Proverbs 11:29 He that troubles his own house shall inherit the wind:

and the fool shall be servant to the wise of heart.

These proverbs teach us a valuable but sobering piece of wisdom. The failure to exercise self-control, or the ignoring of common sense, or the failure to fear the depressing effect of debt that creates a dependency, causes one to lose control of an important area of life and literally gives control over to somebody else.

Perhaps the key to understanding the way that the word "servant" is used in the Bible is to understand that a servant is not a free man. He is a person who is limited to what his master desires of him. This is not necessarily evil, but what does matter is to whom or what the one is servant to. Even so, to be servant of Jesus Christ is to find that our life is limited to what *He* wills for us. However, not every master is as Jesus Christ. Some masters, like debt, are sometimes demanding of dreadful stifling subjugation.

This word "servant" can even be rightly equated with slavery, because ultimately one who is a servant to evil desires for immediate gratification surrenders his hope, and eventually his life eternally.

A number of events have occurred in the past several years that I think we need to consider as part of any planning that we might be doing regarding our immediate future as the return of Christ nears. Now by *immediate*, I mean over the next several years. At the top of the list is the war in Iraq, and the cost of oil-derived products. There is no doubt in my mind that these events--the war in Iraq and the price of oil-derived products--are linked together. Both are substantially impacting the quality of life and the cost of living.

I want you to consider this, because our world view to the way we look at things—our perspective on what is going on—is shaped by the knowledge of God and the expectation of Christ's return. The overwhelming majority of people in the world do not have this advantage, and thus their world view is shaped almost entirely by what is impacting them at the moment. But we too have somewhat of a disadvantage because we lack exact knowledge of when Christ's return will occur. We only know that we are in the vicinity of it. There is much precise knowledge that is lacking, but hopefully what we do know will motivate us to live by faith.

Understanding prophecy is our guide, but if we are honest, we have to admit that much of what we believe in regarding the *timing* of Christ's return is the result of nothing more than an educated guess. Much of prophecy is vague containing cryptic information suggesting events that could happen almost at any time in history.

I want you to understand that I am not saying these things to deliberately discourage anybody, even though it may be somewhat discouraging. I am saying this because I want us, from *our* world view, to look at things realistically. In terms of the timing of Christ's return, we know we are in the vicinity, but that is about all. There is very much that we just do not understand regarding the timing of the return of Jesus Christ. None of this should stop us from studying into it though. It is part of God's Word. It is intended by God to provide guidance as we come to understand it, so it must be part of our study and meditation.

Jeremiah 51:44-46 And I will punish Bel in Babylon, and I will bring

forth out of his mouth that which he has swallowed up: and the nations shall not flow together any more unto him: yes, the wall [a symbol of protection] of Babylon shall fall. My people [which makes it very clear that God's people are in Babylon], go you out of the midst of her, and deliver you every man his soul [or life] from the fierce anger of the LORD. And lest your heart faint, and you fear for the rumour that shall be heard in the land; a rumour shall both come one year, and after that in another year shall come a rumour, and violence in the land, ruler against ruler.

I am using this series of versus for two reasons. The first is because I feel there is a strong possibility that we are living in Babylon. I mean the end-time epitome of Babylon, if indeed Israel is the end-time parallel of Babylon.

The second reason I am using it is because of the word "rumour." Rumor is the subject of this series of verses—the object of God's warning—and it is mentioned because the rumor has a basis in truth, and so it can be a warning. Now if the subject that we are going to be looking into today has something to do with debt, that has something to do with our conduct as we approach the time of Jesus Christ's return. Is the subject that we are going to look at here *therumor* that God is referring to in Jeremiah 51, verses 44 through 46?

Romans 11:34 For who has known the mind of the Lord? Or who has been his counselor?

I am using this first because I want to qualify what I am saying here. I want you to understand that we are doing some speculating. I of course feel that there is some evidence for what I am going to say, and some of it is very well documented. I in no way feel that I am forcing this upon you, or God, and that the end-time events *have* to follow the particular path that I am laying out here. I perceive there is truth to what I am saying, and I perceive that there is a justifiable reason for warning you about the things that you are going to hear in this sermon. I want to be free and clear before God as part of my responsibility as your watchman (or at least *one* of your watchmen) so that you have something to work with as we move on in time toward Christ's return.

One of the reasons I give this qualification is because I have seen some people get so hung up on *their* speculation, or somebody else's speculations, that they cannot seem to think that things could happen any other way. But take warning. If one is a watchman, and he is looking in the wrong direction, the enemy may come from the direction he is not looking, the watchman is not alerted, and therefore he does not give warning to those he is supposed to.

What I am about to say is partly factual and partly speculative. The factual parts mostly involve numbers. The speculative parts involve known and possible affects of what the numbers indicate. Neither the factual nor the speculative paint a pretty picture for the future of the United States and Canada, or let us say all of Israel. In fact they are quite sobering, especially the speculative aspects. This is because the speculative reaches into an area involving

conspiracy, greed, lust for power, murderous intent, and fraud on a scale so massive as to be mind-boggling and sickening to consider.

I think all of us is trying to get a handle on what is going on in this world. I think some of what *is* going on is a bit clear to me today, so I want to share it with you, and at the same time get any feedback you may have so all of us can be better prepared.

We are interested in history, and know that almost all wars are fought over wealth of some sort. The wealth may be in the form of territory. It may be in the form of manpower for purposes of slavery. It may be in the form of minerals. Very often wealth has been in the form of minerals—sometimes gold and silver. At other times copper and iron, and even salt. In today's world the prize mineral is oil. "Black gold" is what it is often referred to, and that is an apt description.

There was a time in our nation's history that the valuable minerals were iron and coal. Those two made the city of Pittsburgh, where I grew up nearby, a very rich but dirty city. But in today's world, the mineral that matters is oil. This is because the western world, and all of its fabulous complexity that provides such a high standard of living, has been supported by cheap oil. Without it, the western world's lifestyle will unravel very quickly—so quickly it would make our head spin if it were just suddenly cut off.

Let me clarify this. In the hotel where Evelyn and I are staying, there is up on the bathroom mirror a sign which says, "Please turn out the lights when you are not using them." Why? Because one-third of the world's energy is used to supply lights, to keep the lights burning. Much of that energy that is consumed is oil.

Without oil, farmers will have to quit farming, because their machines run on gasoline or diesel fuel, both derived from oil. Do you want to eat? We had better hope that we do not run out of oil, or that we have a good supply. Hardly any farmers in the western world use horses, mules, or oxen anymore.

Those streetlights probably will not burn, because what electric energy that is available will be used for more essential operations. Perhaps you would like to live at Iraq today where the electricity is turned on for residential use maybe for about ten or twelve hours a day. When that time is up, the electricity is turned off, and it is too bad if you did not get your clothes washed, or whatever. You do not get anymore electrical power. We have not had to live through anything like that, but it is right on the horizon.

Hospitals may not be able to open. Planes will not fly. Neither will trains, trucks, and buses run. That means that food will be mighty scarce in the supermarkets. Ninety percent of all fertilizers used by farmers are derived from oil. The same 90% figure applies for most medications, and most assuredly for plastics.

A single large airplane like a Boeing 747 may hold as much as 24 thousand gallons of fuel oil in its tank, and it burns 1200 gallons every hour. Thousands of airplanes take off each and every day worldwide. If the oil is cut off, they will not fly, or if the supply is very limited, very few will fly.

Hot showers and baths may become a thing of the past. It is entirely possible that

manufacturers will stop making telephones, computers, washers, dryers, automobiles and tractors, in addition to the rubber products used in them, and hundreds of other household items that are used virtually every day.

Are you aware that in the United States, (and I assume that this is probably true for Canada as well) that the average meal eaten by the average American travels by ship, truck, train, and automobile 1300 miles before it is consumed by you? It is because of oil that you can drink coffee, tea, wine or beer wherever you live. You can enjoy pineapples in Montana, and bananas, olives, oranges, and salmon in Saskatchewan.

Are you aware which organization is the largest consumer of oil energy in the United States of America? It is the military. Now think. Do you think the government is going to deny the military oil, and oil products? Who is going to have to ration? You!

Now guess who is the second largest user of oil products in the United States? It is the United States Postal Service, which means (at least it looks like if things really get bad) the mail will not go through. What does that say about UPS, DHL, and FedEx who deliver packages by the millions every day? Can you begin to see that though life itself will go on, the quality is going to drop tremendously if this rumor is true, and I have no reason to doubt that the rumor we are hearing on the airwaves is true. Whether it is God's rumor in Jeremiah 51, I do not know for sure.

Does all this indicate, that in addition to rising fuel prices, that there might be fuel rationing in the future for the citizens of our nation as there was during World War II? Without oil, our nation, for all intent and purposes, will shut down.

This brief scenario accounts for very much of what is going on in the world today. Individuals and nations are manoeuvring in anticipation of what might happen as the oil supply diminishes. As the supply of oil (which is the mineral most valuable in all the nation for the operation of our life style) decreases, what kind of life can we anticipate if this comes to pass?

What you are seeing here explains at least one reason why America has placed its army boots in Iraq. The alarming fact is, as evidenced by the rising price of fuel, the crisis is already on us. It has not peaked yet, because the oil is still flowing. However, there is no dodging it. It is coming at us like a freight train, and every indication is that it is only going to get worse, and it must be faced by every one of us. Are you prepared? Answer this: Is the government going to take care of you?

Now how did we get this way? Well, there is a cause. You may have already heard the term "Peak Oil" used in a news broadcast. If you have not heard it yet, you are going to be hearing it sooner or later. Peak Oil is an oil-industry term that refers to when an oil well or an oil field can no longer be pumped enough to meet demands. When that term is applied to a nation such as the United States or Canada, Peak Oil occurs when the consumer demand for oil within that nation has outrun the nation's ability to supply that demand, and there is no way that the supply will ever be met internally. When that demand cannot be met, what occurs? *How* is it met? It is met by importing oil from a nation that still has a greater abundance than it can use.

This might shock you, but the United States of America reached "Peak Oil" thirty-three years ago, in 1971. From then to the present we could no longer meet the demand internally from the

wells that had produced so much before in Texas, Oklahoma, Louisiana, and elsewhere, and so what did we have to do? We began importing oil from other places. In just three years, by 1974, the United States oil imports tripled and changed the face of American economics forever. But right here, in a nutshell, is the problem that the world, and not just the United States, faces.

One country after another is also hitting *their* Peak Oil, (and here comes the pitch) while at the same time demand is continuing to rise, and rapidly. Libya was a big oil producer. They peaked in 1970. Iran peaked in 1974. Romania — Europe's largest producer — peaked in 1976. Brunei peaked in 1979. Peru in 1982. The Cameroons in 1985. Russia in 1987. Indonesia and Trinidad in 1997. The rest of the Asian/Pacific area, besides Indonesia, peaked in 2002.

The November *Reader's Digest* has an article on this situation. On Page 94 they say that the oil situation "looks shaky, because even though some nations have reserves, there is a limited ability to pump oil from the ground, and we have demand for oil that has just about reached pumping capacity."

Until I began studying into this, I was unaware that as an oil well is pumped and the level of crude available within it lowers, it becomes increasingly expensive to get it out, and at the level that it is done, the quality deteriorates. The additional cost of the pumping and the refining of this inferior crude is passed on to the consumer, and thus the price begins to rise for the finished product: plastic, diesel fuel, automobile fuel.

On Page 96, the *Reader's Digest* article calls the oil situation "a looming crisis." *Reader's Digest* has a great reputation of being awfully gentle on people. *My American College Dictionary* defines "looming" as "to come into view as a massive distorted or indistinct image; to appear to the mind as a magnified and threatening form; to seem imminent."

In all, 51 oil-producing countries have already peaked. There are only 16 oil-producing countries that have not peaked, but their peaking dates are just around the corner at present rates of consumption. China's and India's demands are increasing almost exponentially, thus putting those "just-around-the-corner" dates ever closer. There are one billion people in both China and India, and both of them are becoming highly industrialized and modernized at tremendous rates. I will give some figures on that in just a little bit.

China's demand alone has increased 36% just in this past year, and in about 5 years, at the present rate of growth, they will be the second largest consumer of oil in the world second only to the United States. The United States consumes, all by itself, 25% of the whole world's oil production, and in 5 years China, at the rate it is growing, is going to consume another 25%. Two countries are going to soak up 50% of the world's ability to produce oil, to pump it out of the ground.

We are just beginning to see the scary part, because not only individual wells, individual oil fields, and individual nations peak, but so can the entire world, and that is what is just over the horizon. Demand is outrunning supply on a worldwide basis, and the crossover point where demand overruns supply, including all those reserves, lies just ahead of us. If you wonder what is energizing the world scene, I am telling you what it is. So we might ask the question: Does not Saudi Arabia, and the rest of the Mid-East, have huge reserves?

Not long ago, (in fact just within 2004), Royal Dutch Shell, which incidentally is the largest single oil corporation in the world, admitted that it had overstated its reserves by 4.5 billion barrels of crude. That is, at today's crude prices, over a \$180 billion oversight. What a blunder!

Now even more alarming, it has now been discovered that the Saudi Arabians have been lying to the world, claiming that there will be no shortage of oil for the next fifty years. However, it is now revealed that they may have only 5 billion barrels of crude in reserve in their major field. Make sure you understand what I am saying here. They have more than 5 billion barrels, but their *major field* has only 5 billion barrels within it. They began pumping from this major field in 1948.

At first that 5 billion barrels of crude sounds pretty big, but let me put this in a little bit different perspective. The reality is, that if nobody else was meeting the world's demand for oil, that if all the oil the world was using was coming out of that 5 billion barrels in that one reserve, it would only last 61 days. They still have other fields to draw from, so that their overall reserve is now estimated at 265 billion barrels of crude, but their Peak Oil date has had to be re-calculated to 2011. That is hardly 50 years off. That is only 7 years from today, and this is the world's biggest producer of oil, and this is the world's largest reserves. The entire Middle East has an estimated 685 billion barrels of recoverable oil.

There are large quantities of an oil-based mineral called "bitumen" in shale deposits in both the western United States and Canada, but it is so costly to extract they use the term "mined" rather than "drilled" and "pumped." The retrieval costs are eight to nine times higher than oil pumped out of a well. You are hearing things about the great Alberta fields. Do not believe it. There is some oil there in wells, but the major amount of it is in shale.

Iraq has the world's second largest oil reserves, and now you have a clearer understanding of why the United States has placed its army boots in Iraq and not in some other place. There is a little bit of hope there in the United States and Canada if we want to pay the price of mining it and refining it. There is a little bit of hope there.

The whole thing of our invasion of Iraq was built on a sale job to the rest of the world. The rest of the world, in the political areas, knew what was going on, that weapons of mass destruction was never the reason, that there were ulterior motives from the very beginning in that it was America's desire to tie up the oil.

Let me give you a little bit more information about how bad things are getting. Every day the Saudi Arabians are quietly pumping 7 million gallons of ocean water into that main reservoir of theirs. Now why? Oil floats on top of water. You see evidence all the time of that when it rains here. The oil comes up to the top. What they are doing is raising the level of the remaining oil in that big oil field of theirs to make it easier to maintain pumping pressure to bring the oil up to the top so that they can extract it at a lower cost.

Brethren, the worldwide race in which every major industrial nation is *pushing* to gain a firm grip on some of the world's remaining oil supply is well underway. It is the almost *frantic* competition that explains why the other nations, especially the Europeans, are angry at America, and why it is already generating war. The reality is they wish that they could do what we did by sending *their* armies in to strengthen their position in this battle for the wealth

needed to support *their* ambition and their lifestyle. The United States simply got there first with the most. It is cynical. It is corrupt. But it is true.

Now I may be cynical, but I do not believe that those politicians who are doing the complaining care for the Iraqis. They too want the oil. So brethren, the western world, including the United States, are trying to buy time in the face of the radical Islamic efforts to corner the oil for themselves. One can hardly blame them, because after all, the oil is in their countries.

Now what about new oil discoveries? It is interesting that they too are dropping precipitously. There were 16 new fields discovered in 2000, 8 in 2001, 3 in 2002, and *none* in 2003. And even if a reservoir were found as large as Saudi Arabia's was when it was first discovered in 1948, the demand is so great that it would hold off the day of reckoning only 2 years. That is how fast oil is now being consumed.

Now when is the day of reckoning when the world's oil production and demand for oil will cross each other permanently? The emphasis is on the term "permanently." Will it happen in our lifetime?

Geologists say that since the oil age began in 1859, when Edwin Drake drilled the first successful oil well in Pennsylvania, the world has consumed 950 billion barrels of crude. Geologists claim that the total amount of crude remaining is approximately one trillion barrels. That sounds like an awful amount of oil until the figures pertaining to how fast it is presently being consumed, and how fast the worldwide demand is increasing, is factored in.

Regarding increase demand, China and India are the major factors. Each has over one billion people. China's energy use alone has doubled in the last twenty years. In 1993 China, as a nation of one billion people, only had 700 thousand automobiles and 15 million motorcycles. Today, only eleven years later, there are 10 *million* automobiles in China. China uses 1.7 barrels of crude per person per year. By comparison, Mexico uses 7 barrels per person per year. Now if China's usage rises only to the level of Mexico's, daily normal consumption in China will rise to 24 million barrels per day. That is more than the very wealthy United States of America now uses. That will place China as the largest consumer of oil in the world.

One prognosticator said he had calculated the date that demand worldwide will outrun supply and ability to produce, will arrive at July 2, 2006. This is the end of 2004! But wait a minute! That was a conservative guess, because another prognosticator — a Princeton professor and geophysicist, Dr. Kenneth Defferyes, countered that estimate by calculating that the date is sometime in late November, 2005. That is only a year away. This does not mean that oil will suddenly disappear. He has calculated that November 2005 is the date when demand is going to outrun inability to get it out of the ground and refine it.

Another man, Dr. Stephen Leeb, and others have calculated that every last barrel of oil will be gone sometime in 2029, but they caution that long before that the quality of the crude will drastically drop, and because of the increasing cost of refining that poor crude, the price of a gallon of gasoline by 2029 will rise from \$12.00 to \$15.00 a gallon. You think it is expensive now!

What does this mean for the immediate future? We can get a pretty clear picture from what is already being reported in our news sources. Listen to these news articles from *The Charlotte*

Observer to give us a clear glimpse. This first one is from the Business Section of *The Charlotte Observer*, October 21, 2004. "Three of the nation's largest airlines reported a combined \$911 million third-quarter loss." That is one quarter. In three months they lost \$911 million. The largest by far was Delta Airlines, where bankruptcy looms unless it can quickly win concessions from its pilots and debt holders.

Soaring fuel prices was the main culprit for the red ink at AMR Corporation (the parent of American Airlines) and at Northwest Airlines Corporation and Delta, whose situation also has been exacerbated by the cost of servicing its \$20.6 billion debt. All three reported higher revenues.

A related article appearing in *The Charlotte Observer* on October 29, 2004 and titled "Carrier's Quarterly Plunge" stated: "U.S. Airways lost \$232 million in the third quarter of this year -- its worst quarterly performance in two years—as high fuel costs and fierce low-cost competition ate into the airline's cash, the company said today."

The cost of oil is already driving huge corporations, appearing on the surface to be solid, stable, and invulnerable, into bankruptcy. What is this doing in other industries dependent upon oil, like construction, utilities, railroads, trucking? The same things are happening. It does not mean that the United States will drop off the end of the earth economically from this alone. It does not mean that oil will suddenly stop flowing when either of those dates arrives. It does mean that the cost of living will continue rising, pushed by the cost of energy and cost of the production of products made from oil. It means that the cost of gasoline will not come down. It is certainly going to fluctuate somewhat due to market forces.

One expert in the field said he did not believe that the price of crude will ever drop below \$35.00 a barrel. The same Harvard professor, Kenneth Defferyes, which I quoted before, predicted that it may be as high as \$182.00 a barrel by that July 2, 2006 date. If that prediction holds true, when one uses the present ratio of \$55.00 per barrel for crude factoring to about \$2.00 a gallon for gasoline at the pump, gasoline at that 2006 date would be in the neighborhood of \$7.00 per gallon. Others familiar with the situation are saying that it may be as high as \$10.00 per gallon.

One factor that might ease the present pressure would be if the Americans are able to bring the Iraqi oil wells on line, pumping again, and thus feeding the supply system. The Iraqi insurgents are trying their hardest to keep that from happening. They want Iraq oil for themselves, because they want to use its income for their own political ambitions.

Some of these things are speculative, like dates, the price of crude, or gasoline costs, but one thing is not speculative, and that is that Americans will have to adjust to the rising prices like the Europeans already have. We will continue to consume oil to maintain a lifestyle to which we are accustomed, and we will continue to drive by taking money that was formerly budgeted for other areas, and use it to purchase fuel.

Revelation 18:3 For all nations have drunk of the wine of the wrath of her fornication, and the kings [not necessarily political leaders, but leaders in general — business, education, or whatever] of the earth

have committed fornication with her, and the merchants of the earth are waxed [are grown] rich through the abundance of her delicacies.

There is the subject of this chapter. Now let us go to verse 9. We are going to see some effects that God says are going to occur.

Revelation 18:9-11 And the kings of the earth who have committed fornication and lived deliciously with her [this wonderful western lifestyle that we live], shall bewail her, and lament for her when they see the smoke of her burning, Standing afar off for the fear of her torment, saying, Alas, alas that great city Babylon, that mighty city! For in one hour is your judgment come. And the merchants of the earth shall weep and mourn over her; for no man buys their merchandise any more.

What does that show you? Whoever Babylon is, it is *the consuming entity on earth*.

Revelation 18:12-19 The merchandise of gold, and silver, and precious stones, and of pearls, and fine linen, and purple and silk, and scarlet, and all thyine wood, and all manner vessels of ivory, and all manner vessels of most precious wood, and of brass, and iron, and marble. And cinnamon, and odours, and ointments, and frankincense, and wine, and oil, and fine flour, and wheat, and beasts and sheep, and horses, and chariots, and slaves, and souls of men. And the fruits that your soul lusted after are departed from you, and all things which were dainty and goodly are departed from you, and you shall find them no more at all. The merchants of these things, which were made rich by her, shall stand afar off for the fear of her torment, weeping and wailing. And saying, alas, alas that great city, that was clothed in fine linen, and purple, and scarlet, and decked with gold, and precious stones, and pearls! For in one hour so great riches is come to nought. And every shipmaster, and all the company in ships, and sailors, and as many as trade by sea, stood afar off, And cried when they saw the smoke of her burning, saying: What city is like unto this great city! And they cast dust on their heads, and cried, weeping and wailing, saying, Alas, alas, that great city, wherein were made rich all that had ships in the sea by reason of her costliness! For in one hour is she made desolate.

My subject today is the economic precursor of the physical destruction that is portrayed in this chapter. Economic factors are almost *always* the precursor of war, and I want us to be reminded of how, at the time of the end, the whole world, as this chapter shows, is involved in global commercialism, and BABYLON THE GREAT is the axle on which the economies of the whole

world spin. Can you think of any nation on earth who that could possibly be, that is such a consumer of what the rest of the world produces, that everybody weeps when she gets destroyed? They weep because she is no longer able to consume what they make. Can you see what is headed our way? They are striving for power and survival. That is one reason they are going to weep, because when *we* go down, *they* go down!

I want us to understand that the economic warfare that precedes the physical war is already under way. Inflation, brethren, is right around the corner. In fact, inflation is already beginning. You can see the leading edges of it. Inflation and very heavy indebtedness are always the products of war.

We are in the beginning stages of physical warfare resulting from what one economist, whose paper I read, called "*the economic perfect storm*." He said they are these: Record high demand for the world's most non-remunerable resource (oil) combined with historically low supply of oil, combined with political instability in the oil-producing nations (i.e., Iraq, Saudi Arabia, Nigeria, Venezuela, and so forth) combined with huge deficit and debt in the economy of the world's largest trading nation (the United States), and these all create inflation, which in turn triggers rises in interest rates." Are the interest rates rising?

Well, this storm will eventually lead to what we see pictured in this chapter. As the price of crude rises, it will raise the price (and already has) of every consumer goods it is used in. Food prices may very well go out the roof because of greatly inflated transportation costs. Some companies like the airline industry may very well go out of business, and many jobs are going to be lost.

In the week before I began putting this sermon together, the budget airline—ATA out of Chicago—announced it was seeking bankruptcy protection, thus joining United and U.S. Airways, and Delta is right on the brink. And as I was preparing this, another small budget airline in south Florida (I cannot think of its name) said it too was on the verge of bankruptcy.

The US government is going to spend its way to a \$500 billion deficit this year. That is an absolutely incredible \$1.372 billion a day in arrears. Another way of saying this is that our government overspends its budget by \$15,820.00 every second.

The only thing that is keeping us afloat is that foreigners, especially Orientals, are still investing their money in our treasury bonds issued by our government to finance that debt. The major reason why they have not pulled their money out is because of the nature of global commercialism. They are somewhat stuck, because if we go down, they go down. But sometime they are going to reach the point when they say, "We will take our chances on going out. We want our money now." And so they have not pulled their money out, because our consumption of what they produce is so huge, that in one sense they cannot live without us.

The secondary reason is that they are still making money on their investments on our bonds. But whenever they believe there is a better safer investment for their money, they will begin pulling their money out. When they do that, it will throw each nation's money managers into a panic, and our economy will deflate so fast it is going to make the depression of the 1930s seem like a garden party.

As I said earlier, it does not look like the bottom is going to drop out immediately, and so we still have some time to get ourselves ready for the worst of it. Brethren, we must do what we can. We cannot stand around expecting somebody else to take care of us. That is most surely not Christian. It is Christian to do everything we can to take care of ourselves, and others when we can, and then God will add what we lack. Why? Because we are submitting to Him, showing Him we are going to do all we can.

We will pull out a bit of wisdom in Proverbs 18: 9 (Maybe a great deal). This is a really important verse. One of these days I am going to give a sermon that will focus on what this verse means.

Proverbs 18:9 He also that is slothful in his work is brother [part of the same family we may say] to him that is a great waster.

My margin says "destroyer." Hang onto that for a second. The sense of this proverb is that those who, through procrastination or sheer laziness do nothing to help themselves and their posterity, are in the same class as someone who deliberately destroys something of value. It is saying that the lazy procrastinator and the destroyer are equally detrimental to well-being. Get that "*equally* detrimental to well-being." The lazy person may not intend to destroy, but his laziness nonetheless destroys. The destruction only takes longer to appear.

Let us put this on an even more serious vein. Satan means "Destroyer," and thus to be lazy is to put one into the same spiritual mindset as Satan — his brother. It destroys one's opportunity to be like God. God is not lazy. Jesus said, "My Father works, and I work." Actually that is written in the tense that it should be translated as: "My Father's working, and I am working," giving the impression that it is continuous.

Proverbs 12:24 The hand of the diligent shall bear rule: but the slothful shall be under tribute.

This one says that diligence at work determines success, advancement. To put this more bluntly or plainly, the diligent succeed and rise to the top. The lazy sink to the bottom.

Now with the advance warning of the economic situation that is looming, I think that we had better be diligent about getting prepared for it, and there are things that we can do.

Proverbs 27:22-27 Though you should bray a fool in a mortar among wheat with a pestle, yet will not his foolishness depart from him. Be you diligent to know the state of your flocks, and look well to your herds. For riches are not forever: and does the crown endure to every generation? The hay appears, and the tender grass shows itself, and herbs of the mountains are gathered. The lambs are for your clothing, and the goats are the price of the field. And you shall have goats' milk enough for your food, for the food of your household, and for the maintenance for your maidens. [That is, if we are diligent.]

Let us put this together with the previous verse. Verse 22 teaches us that folly [foolishness] cannot be removed by force. The mortar and the pestle thing, that even if you put them under pressure, it will not change the person. Force can only *begin* a change. Laziness is an acquired characteristic. Diligence is an acquired characteristic. A person can change, but force alone will not change the person. Force can motivate a person to change, but then he has to control himself to become diligent. So the question for us facing this ominous future is, are we going to be wise or foolish? The series of versus following verse 22 counsels us from God Himself to make every effort to persevere, even build upon, what we already have.

The overall sense from these last three scriptures, beginning with Proverbs 18: 9 is that if we will submit to God's council, to make effort to do what we can and to be diligent about it, then He *will* add what we lack and provide for those who help themselves by doing what they can to prepare for the worst of the crisis. We must not presumptuously take it for granted that He will supply our need, but rather to continue to have faith that He will provide while we make effort to do what we can on our own and care for ourselves on our own. Much of that effort may be directed at sacrificing now to put things in order before one is forced by outside forces.

God does indeed help those who help themselves by submitting to His counsel. That is how we help ourselves. Be diligent. He even very strongly warns us in I Timothy 5, that if we do not take care of our own (meaning ourselves and our family), we are worse than a heathen. And then He adds to that by saying that if a man will not work, neither should he eat. That is pretty blunt. We can see our responsibility. God expects us to make effort to be able to take care of ourselves. That is what He would do were He facing the situation.

There are three or more actually closely related general areas that the economic gurus are telling us that we *must* work on to be in good position to weather the economic storm looming before us. They are indeed general areas, because there is no one specific plan of action for everybody's circumstance. This is why you have to know the state of *your* flocks. I am only going to give you two of them today for lack of time, and we will expand on them somewhat in another sermon. Each one is responsible for evaluating the state of his their resources and devising a plan of action.

number 1: Be very careful about taking on any new debt.

That is almost a no-brainer. But on the other hand, taking on a new debt may actually reduce your indebtedness in some cases. They have gone so far as to say in this category of playing in this area that you should consider paying off your mortgage. If you have the resources to be able to do it, they say pay it off completely. The reason is logical and pretty simple.

Which would you rather face? Losing the house that you already have maybe hundreds of thousands of dollars invested in principle and interest—losing it completely, or at least have a place to live when that time comes, and the income is greatly reduced or may be cut off entirely? In other words, they are saying it may be better to invest in paying off your house than being without a house altogether and be out on the street. There is a lot more to figure there, but it is just simple logic.

number 2: Get liquid.

In other words, what they are saying is start saving money (cash). There is a very interesting suggestion they make for Americans. Maybe for you Canadians there might be a similar alternative, and that is, if you can afford it, to buy "junk silver." That is what it is called—"junk silver."

Here in the United States junk silver is American coins coined before 1965. The reason they suggest this is because those coins are 90% silver. It is the real thing, and Americans know that. Even if cash fails, and you have junk silver, you have something that your neighborhood businessman will accept because he knows that you are handing him real silver. It is not a greenback that might be worthless, but is a precious metal. Right now the going price in the United States is roughly five to one (5 to 1). In other words, it takes \$5.00 of greenbacks to buy \$1.00 worth of junk silver. What you will get in return are dimes, quarters, fifty-cent pieces that are 90% silver. The main thing here is that having cash is going to be important.

Incidentally, they do not necessarily suggest that you invest in gold, and there is a reason for that. This is a little bit sinister, but the reason is that the reserve banks of the world, with the Federal Reserve Bank in the United States leading the pack, owns 70% of the gold in the world.

Are you aware, Americans, that there are very good indications that there is no gold in Fort Knox at all? The government will not allow anybody in there to make an audit. Why? That is our money. But they will not let anybody in there, and the suspicion is very strong that there is nothing there. The reason there is nothing there is because the Reserve Banks of the nations of the world, led by the Federal Reserve Bank of the United States, has taken it out as security for America's debt to them. So they now possess it. Really strange interesting things are going on that speak of things that are sickening.

That is as far as we are going to go today, but just to sum this up, the economic situation of the world is in a state of flux. It is in a position where it is showing every indication of collapse. The factors are all present. They are not yet in the position where the bottom is going to fall out, but they are moving in that direction.

I do not feel that we can afford to just stand around and do nothing. God would expect us to do something to make it as well as we possibly can for us when that time arrives. As I said earlier, this may require us to do some sacrificing now in order that we live and are able to take care of our family down the road better than we otherwise could have when we might be out on the street with absolutely nothing -- not even a place to lay our head. So begin to evaluate the state of your flocks. Look at what your resources are. Think about what you can do, and begin to make a plan.