

# THE TRINITY REVIEW

For though we walk in the flesh, we do not war according to the flesh, for the weapons of our warfare [are] not fleshly but mighty in God for pulling down strongholds, casting down arguments and every high thing that exalts itself against the knowledge of God, bringing every thought into captivity to the obedience of Christ. And they will be ready to punish all disobedience, when your obedience is fulfilled. (2 Corinthians 10:3-6)

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## The Fed, Fiat Currency, and Feckless Keynesian Economics by Steven T. Matthews\*

“Anyone claiming that America’s economy is in decline is peddling fiction,” or at least that’s what President Obama would have Americans believe based on his remarks in his State of the Union address last week. Yes, according to the president, everything is awesome. And anyone who thinks otherwise is simply, to quote a Vice President from a few decades back, a nattering nabob of negativism.

But is everything as rosy as Obama would have us believe? The following points would suggest otherwise:

- The New York Stock Exchange (NYSE) just experienced the worst opening week in its history. During the first two weeks of trading in 2016, the market has declined by 4%.
- The Labor Force Participation Rate – this the total number of people who are either employed or actively looking for work divided by the total working age population – is at lows not seen in nearly 40 years, going back to a time when women were just entering the workforce in large numbers.
- The Baltic Dry Index<sup>1</sup> – a shipping and trade index measuring the changes in the cost to transport raw materials by sea – is at record low levels and continuing to sink rapidly. These low and rapidly declining readings – the index has dropped 19% just since the first of the year – indicate a sharp drop in international shipping, implying a significant drop in international trade and a global economic slow-down. According to an article by Ship and Bunker,

the index has hit new record lows for the past nine days straight.<sup>2</sup>

- According to FactCheck.org, the number of Food Stamp recipients grew by 45% for the period from January 9, 2009 – January 9, 2015.
- Breitbart reports that, “America’s middle class has shrunk by almost 20% since the 1970s and is now a minority of the population in the United States.”<sup>3</sup>
- In connection with a shrinking middle class, income distribution has become significantly skewed toward the top of society. This video<sup>4</sup> gives a good breakdown of just how unequal incomes have become in the US. Among its findings: 40% of the wealth of the country is held by 1% of the population, those in the top 1% own 50% of value of the stock and bonds markets. Taken together with a shrinking middle class, it appears that the US is coming to resemble more a feudal society than the healthy middle class nation most of us grew up in.
- US federal government debt has exploded in recent years. When Obama entered office in January 2009, the debt stood at a frightening \$10.6 trillion. According to estimates by the Congressional Budget Office, the debt was \$18.1 trillion in January 2015 and is projected to grow to \$19.1 trillion a year from

<sup>2</sup> Ship & Bunker, “Baltic Dry Index Ends Week with Another Record Low of 373, Cape Index Falls Under 200,” January 15, 2016, <http://shipandbunker.com/news/world/433327-baltic-dry-index-ends-week-with-another-record-low-of-373-cape-index-falls-under-200>.

<sup>3</sup> Chris W. Street, “America’s Middle Class Is Now a Minority,” December 14, 2015, <http://www.breitbart.com/big-government/2015/12/14/americas-middle-class-now-minority/>.

<sup>4</sup> “Wealth Inequality in America,” November 20, 2012, viewed January 15, 2015, <https://www.youtube.com/watch?v=QPKKQnijnsM&feature=youtu.be>.

\* Mr. Matthews first published this article on his blog site, <https://luxlucet.wordpress.com>, January 17, 2016. It has been edited and expanded for *The Trinity Review*.

<sup>1</sup> [http://www.investopedia.com/terms/b/baltic\\_dry\\_index.asp](http://www.investopedia.com/terms/b/baltic_dry_index.asp).

now when Obama leaves office. To put it another way, it took the US 236 years to amass \$10.6 trillion of debt, but by the time he leaves office next year, Obama will have presided over a near doubling of this amount. According to Boston University economist Laurence Kotlikoff, “Our country is broke. It’s not broke in 75 years or 50 years or 25 years or 10 years. It’s broke today.”<sup>5</sup>

Considering only the bullet points above, it would appear that precarious is about the kindest word one could use to describe the economic condition of the US. To say we’re headed off an economic cliff likely would be closer to the mark.

So how did we get here? How did a nation founded by Puritans and committed to the principles of civil and economic liberty end up a bloated, socialist, over-extended empire suffocating under the largest debt edifice in the history of mankind? Although a full answer to that question is beyond the scope of this article, the short answer is that the American people have, to borrow what Isaiah said about the people of Judah, turned away backward from God and from his law.<sup>6</sup> We have rejected the truth and embraced the lie, and now the chickens are coming home to roost.

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<sup>5</sup> Dan Weil, “Economist Kotlikoff: ‘Our Country Is Broke,’” March 11, 2015, viewed January 15, 2016, Newsmax Finance, <http://www.newsmax.com/Finance/StreetTalk/Kotlikoff-GDP-debt-deficit/2015/03/10/id/629314/>.

<sup>6</sup> The parallels between Judah in the days of Isaiah and the decadent West of the early 21<sup>st</sup> century are striking. Both societies turned their backs on their godly heritage, and both suffered economic problems as a result, one manifestation of which was the destruction of their respective middle classes. As was mentioned above, in the US there is growing gulf between a tiny elite – really less than one percent of the population – and the rest of society. A similar state of affairs seems to have obtained in Judah during the period of Isaiah’s ministry. This can be gathered from the prophet’s condemnation of the wealthy, whose practice it was to buy up all the land for themselves. Isaiah wrote, “Woe to those who join house to house; They add field to field, Till *there is* no place Where they may dwell alone in the midst of the land!” (*Isaiah* 5:8). Commenting on this verse, Edward J. Young notes, “The condemnation is not the purchase of property as such, but of monopoly and the acquisition of what belongs to a poor owner. Although not stated in so many words the implication seems to be that this was an unjust acquiring on the part of the wealthy. Against such procedures the law had provided checks, but there were unscrupulous men in Israel who circumvented the law and were not content until they had obtained all the property which they could” (*The Book of Isaiah: A Commentary* by Edward J. Young, Volume 1, 206). Israel was founded as a middle class, ownership society. Rather than working as serfs on the estate of some feudal lord,

I would like to look specifically at three economic lies that are held by nearly all academic economists, politicians, and their enablers in the media: central banking, fiat currency, and Keynesian economics. Any one of these by itself is dangerous to the health of a nation. Taken together, they are a sort of perfect storm, guaranteed to bring economic destruction and loss of personal liberty to any nation whose leaders embrace them.

### **Central Banking**

Created by the Federal Reserve Act of 1913, the Federal Reserve System (the Fed) is the central bank of the US. But despite the governmental sounding name, the Fed is not part of the government. It is actually a private entity, being owned by its member banks, and has been granted the power by Congress to manage the monetary policy of the US. In short, the Fed is a government created bankers’ cartel. Or to put it another way, the Fed is the result of the merger of state and corporate powers, which is the definition of fascism. In light of this, the Eccles Building, the Washington D.C. headquarters of the Fed, has always seemed a most appropriate home for the organization, looking, as it does, as if it could have been designed by the very hand of Albert Speer himself, the Third Reich’s favorite architect.

Central banking was sold to the public based on the claim that a government banking cartel overseen by experts could ensure steady growth in the economy all the while avoiding the occasional banking panics that had occurred in the past.

But the Bible makes no provision for governments to establish monetary policy or to appoint a third party such as the Fed for this purpose. According to Scripture, governments have two and only two purposes: 1) punish those who do evil, and 2) praise the good (see *Romans* 13). Apart from this, the civil magistrate has no legitimate role in society.

But despite the fact that the Fed was sold to the American people as a public benefit, as with all government established cartels, including such entities as the American Medical Association (the doctors’ cartel) and the American Bar Association (the lawyers’ cartel), the main purpose of the Fed was to benefit the vested interests of a tiny elite, in this case the bankers themselves. Or to put it another way, the Fed is and has been since its creation the premier crony capitalist institution in the US. It was a way of allowing the

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the small farmers of the Hebrew Republic tilled their own land. But by the time of the decadent monarchy in Isaiah’s day, it appears that the Judean middle class had been substantially dispossessed.

bankers to privatize their profits while socializing their risks.

With a vote by Congress, the government would confer legal legitimacy on a cartel of the largest bankers and permit them to inflate the money supply at will, providing for themselves and the financial system liquidity in times of need, while insulating themselves against the consequences of bad loans and overextension of credit. (Ron Paul, *End the Fed*, 23)

So, if the bankers mess up and pass out home loans to millions of people who have no business owing a home, while at the same time reaping profits from these risky ventures, and those loans go bust as they did during the 2008 financial crisis that nearly tipped the US and the world into a depression, no worries. The Fed has their back. The Fed just announces a new quantitative easing (QE) program and prints up hundreds of billions, and eventually trillions, of dollars, passes them out to banks deemed too-big-to-fail,<sup>7</sup> and *voilà*, problem solved.<sup>8</sup> Or

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<sup>7</sup> Too-big-to-fail is a concept alien to capitalism. In the free enterprise system, all businesses are responsible for managing their affairs in a competent manner. Firms that fail to do so properly bear the losses that result from their poor decision making. It is not the job of the taxpayer to make them whole.

<sup>8</sup> Although many financial writers, including this author, colloquially refer to QE as “money printing,” the Fed does not actually print physical dollar bills when engaging in this immoral practice. In the course of a round of QE – so far there have been three of them since 2008 totaling over \$3 Trillion – the Fed purchases assets such as government bonds and Mortgage Backed Securities (MBS) from financial institutions by electronically crediting their accounts in a sort of pseudo-miracle, the funds for these purchases being conjured *ex nihilo* (out of nothing).

QE was sold to the public as a benefit to the common folks. But in practice it has the dubious distinction of being a leading cause of the growing wealth disparity seen in the US and around the world. Andrew Huszar, the man who was tapped by the Fed to “quarterback” the first round of QE in 2009, admitted as much in a *Wall Street Journal* editorial. Writes Huszar, “I can only say: I’m sorry, America. As a former Federal Reserve official, I was responsible for executing the centerpiece program of the Fed’s first plunge into the bond-buying experiment known as quantitative easing. The central bank continues to spin QE as a tool for helping Main Street. But I’ve come to recognize the program for what it really is: the greatest backdoor Wall Street bailout of all time” (*Andrew Huszar: Confessions of a Quantitative Easer* by Andrew Huszar, *The Wall Street Journal*, November, 11, 2013, <http://www.wsj.com/news/articles/SB10001424052702303763804579183680751473884?cb=logged0.8226034561909116>, viewed January, 21, 2016).

at least that’s what the Fed and its apologists would have you believe.

In the opinion of this writer, economist Hans Sennholz rightly described the creation of the Fed as, “the most tragic blunder ever committed by Congress. The day it [the Federal Reserve Act] was passed, old America died and a new era began. A new institution was born that was to cause, or greatly contribute to, the unprecedented economic instability in the decades to come” (Hans F. Sennholz, *Money and Freedom*, quoted in *End the Fed*, 23).

## **Fiat Currency**

Investopedia gives the following definition of fiat money:

[C]urrency that a government has declared to be legal tender, but is not backed by a physical commodity. The value of fiat money is derived from the relationship between supply and demand rather than the value of the material that the money is made of. Historically, most currencies were based on physical commodities such as gold or silver, but fiat money is based solely on faith. Fiat is the Latin word for “it shall be.”<sup>9</sup>

There are two principle elements of this definition, both of which are in conflict with what the Bible teaches about money. First, fiat currency is something the government, not the free market, deems to be money. Second, since its value is not defined by a certain weight of a physical commodity, as is the case with honest money, but rather rests on peoples’ confidence in the issuing institution, the value people ascribe to fiat currency is subject to much greater fluctuation than that of commodity money.<sup>10</sup> Over time, the value of fiat

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<sup>9</sup> Investopedia, viewed January 15, 2015, <http://www.investopedia.com/terms/f/fiatmoney.asp>.

<sup>10</sup> It is not uncommon to hear otherwise sound writers advocate for a return to the gold standard by contrasting paper fiat money, which they deem worthless, with gold, which they claim has intrinsic value. This is an error. The intrinsic value of paper fiat currency and gold is the same: zero. Originating with Aristotle, the fallacy of intrinsic or objective value – this is the idea that the value of an object is contained within the thing itself – was later promulgated by Thomas Aquinas, the official philosopher of the Roman Catholic Church-State, and has been repeated ever since.

Contrary to Aristotle and Aquinas, the Bible teaches that value, like righteousness, is imputed. This can be seen from Jesus’ comment that the poor widow who offered her two mites had made a greater contribution than the rich who gave from their abundance (*Luke 21:1-4*). If value were objective, then Christ’s comment would be nonsense, for the objective

currency heads in one direction only: down. As the Investopedia article puts it, “Because fiat money is not linked to physical reserves, it risks becoming worthless due to hyperinflation. If people lose faith in a nation’s paper currency, like the dollar bill, the money will no longer hold any value.”<sup>11</sup>

Regarding the idea of legal tender, consider the dollar bill in your wallet. On it you will notice the words, “This note is legal tender for all debts public and private.” What this means is that if someone owes you payment, you must accept the dollars they give you, even if your contract was in terms of something else, a certain weight of gold or silver for example. One way this is done is by the US federal government requiring all taxes be paid in dollars. The court system also gives teeth to the legal tender laws by enforcing contracts only in terms of dollars.

But just as the civil magistrate has no legitimate business involving himself in monetary policy, neither is it proper for him to enforce legal tender laws. All such edicts are immoral and ought to be removed from the books.

*Genesis* 23 gives the account of Abraham purchasing the field of Machpelah from Ephron the Hittite, in order to bury Sarah. After some back and forth, they finally agreed upon a price, “four hundred shekels of silver, currency of the merchants” (*Genesis* 23:16). Note well, Abraham did not buy the field with the currency of pharaoh, or the currency of the king of the Hittites. It was the currency of the merchants. Or to put it another way, it was the market that supplied the money on the basis of voluntary agreement among the people who used it. No government legal tender laws were in view.

Worth noting, too, is that the money Abraham used was a certain weight of silver. In fact, the Hebrew word *shekel* comes from the verb “to weigh.” A shekel was a weight of silver, presumably with a certain fineness. In light of the repeated statements in the Old Testament that dishonest weights and measures were an abomination to God, honest money was a very serious matter.

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value – what we might call the face value – of the donations by the rich far exceeded that of the widow’s two copper coins. (The author would like to credit Dr. John Robbins for this insight).

<sup>11</sup> The recent inflation in Zimbabwe provides an example of the extreme lengths to which governments and central bankers will go to destroy the value of their own fiat currencies. I have in my possession a note issued by the Bank of Zimbabwe in 2008 with the incredible face value 100 Trillion (Zimbabwe) Dollars. In 2013, I purchased this note on Amazon for the princely sum of \$1.44. It is likely that I overpaid.

But fiat money suffers from the severe defect that it is inherently dishonest. Unlike commodity money such as silver or gold which takes time and effort to produce, a government or central bank can create billions of currency units at the click of a mouse button, thus devaluing all existing units of that currency. The process of increasing the supply of money and credit faster than the growth of available goods and services is the proper definition of inflation. What most people call inflation, the general rise in prices that we have all experienced, is not inflation itself, but rather a result of the inflation of the money supply. It may seem odd that money can be created out of thin air, but combined with legal tender laws, this awesome power is what gives governments and central banks the ability to control the economies of nations. According to a now out of print publication by the Fed called *Putting it Simply*, the money creation process works this way, “When you or I write a check, there must be sufficient funds in our account to cover the check, but when the Federal Reserve writes a check, there is no bank deposit on which that check is drawn. When the Federal Reserve writes a check, it is creating money.” In other words, the Fed is the world’s biggest counterfeiter.

The horrific collapse of Zimbabwe’s national currency is the most recent example of what is known as hyperinflation, a central bank driven phenomenon that occurs when a bank creates so much money that its value, in effect, goes to zero. Compared to the spectacular currency destruction brought about by the Reserve Bank of Zimbabwe, the Fed’s custodianship of the US dollar seems downright responsible. But in truth, the Fed has nothing to boast about. As Ron Paul notes, “One only needs to reflect on the dramatic decline in the value of the dollar that has taken place since the Fed was established in 1913. The goods and services you could buy for \$1.00 in 1913 now cost nearly \$21.00. Another way to look at this is from the perspective of the purchasing power of the dollar itself. It has fallen to less than \$0.05 of its 1913 value. We might say that the government and its banking cartel have together stolen \$0.95 of every dollar as they have pursued a relentlessly inflationary policy” (*End the Fed*, 25).

The shocking truth is that mass fraud in the form of creating money out of nothing, money for which no one labored, is the very basis of the central banking/fiat money regimes that run the economies of every nation in the world. The ability to counterfeit a currency allows central banks and those closely connected to them to essentially strip mine the assets of a nation and concentrate wealth in the hands of a few very wealthy, well-connected individuals. After all, those hundreds of billions and trillions of dollars created by the Fed end up

first in the hands of the too-big-to-fail banks, who can then take that money and buy stocks, bonds, and real estate before the rise in prices created by all that new money kicks in.

As mentioned above, the wealth distribution in the US is significantly skewed toward the ultra wealthy. The grossly immoral fiat money system we have is largely responsible for this. I do not profess to know what the “correct” wealth distribution should be, but were it not for central banking and fiat money, there would be a far more even distribution of wealth than there is at present.<sup>12</sup> Constitutional capitalism is not responsible for the extreme wealth inequality seen today. The fault lies with the monetary fascists at the Fed and their intellectual and political enablers.

One other detail about fiat monetary systems bears mentioning: they are debt based. Look again at that dollar bill in your wallet. You’ll notice at the top that it says “Federal Reserve Note.” A “Note” in the context of a monetary system is a debt. The Federal Reserve Notes in our wallets are debt certificates written against federal government borrowing and have value only insofar as the public has confidence in the government’s ability to pay its bills. If the federal government ceases to be viewed as a going concern, this would imply a zero market value for the notes issued against its debt.

And a curious feature of debt-based monetary systems is that they require the issuing entity, not only to go into debt to create the currency in the first place, but to continue going further into debt in order to issue the currency needed to make the interest payments to the original lenders. To put it another way, all fiat currency systems, including the world’s current dollar-based system, are Ponzi schemes. And Ponzi schemes, as

Bernie Madoff could tell you, eventually come to less than satisfactory endings.

### **Keynesian Economics**

Perhaps no economist in the last one hundred years has been as influential as John Maynard Keynes (1883-1946), whose 1936 book *The General Theory of Employment, Interest and Money* provided intellectual justification for much of the growth in government that has taken place in the “capitalist” Western world since that time.

Keynes wrote his *General Theory* during the Great Depression of the 1930s. At that time, Europe and the United States had been in an extended economic downturn, and Keynes sought to explain the reason the economies of the West were slow to recover their vitality. Keynes proposed that the problem was downward sticky wages.<sup>13</sup>

*Laissez-faire* economists, *i.e.* economists who advocated for free markets and limited government involvement in the economy, had argued that if wages were too high for businesses to operate at a profit, then unemployment would result. As the pool of unemployed labor grew more plentiful, the price of labor (the wages paid to workers) would drop until a new, lower market clearing wage rate was reached. To put it another way, free market economists believed that wages were subject to the laws of supply and demand as were other goods and services.

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<sup>13</sup> The concept of price stickiness simply means that the price of a good or service does not vary according to the normal laws of supply and demand. To say that something is “downward sticky” means specifically that the price of a good or service will not fall in the event there is an excess supply of, or a decline in demand for, the item in question. The neo-Keynesians, who control the university departments of economics and the world’s central banks, have extended Keynes’ idea of downward stickiness to include the prices of economic inputs other than that of labor. Where Keynes served the Baal of economic interventionism a little, his intellectual heirs serve him much.

Rather than blaming downward sticky wages for the extended global depression of the 1930s, a more likely scapegoat would be the unprecedented governmental economic interference that was practiced in formerly capitalist nations during that time. In the US, Roosevelt’s New Deal is perhaps the premier example of how governmental attempts to fix the economy by short circuiting the free market can backfire, actually making things worse. By way of contrast, the *laissez-faire* approach to curing economic slumps works remarkably well. For more on this, see *The Forgotten Depression: 1921: The Crash that Cured Itself* by noted financial writer James Grant.

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<sup>12</sup> The wealth disparity in the US is mirrored on a global basis. Citing a report by Oxfam, Bloomberg Business reports that, “The richest 1 percent (on a world-wide basis) is now wealthier than the rest of humanity combined.” As this same article reports, “Oxfam also calculated that 62 individuals had the same wealth as 3.5 billion people, the bottom half of the global population, compared with 388 individuals five years earlier.” Predictably, Oxfam has, “called on governments to intensify efforts to reduce such inequality” (“The Astonishing Gift of the Money Printers—The World’s Richest 1% Now Have More Wealth Than the Rest of Humanity,” David Stockman’s Contra Corner, January 18, 2016, viewed January 21, 2016, <http://davidstockmanscontracorner.com/the-astonishing-gift-of-the-money-printers-the-worlds-richest-1-now-have-more-wealth-than-the-rest-of-humanity/>). What Oxfam and other socialists such as Bernie Sanders and the Occupy Wall Street crowd do not understand is that government intervention in the economy is the cause of, not the solution to, the problem of extreme wealth disparity.

But Keynes denied that free market principles applied to wage rates. And because he believed wages would not fall in response to lower demand from the marketplace, he concluded that the economies of the industrialized nations were stuck in a vicious cycle of workers demanding more money than businesses were willing to pay, thus causing the extended depression experienced in the West during the 1930s. In order to break this cycle, Keynes proposed that governments needed to stimulate their economies by spending money that private business refused to spend. The public works projects of Roosevelt's New Deal were an example of this in the US. Keynes believed that government spending could be dialed back once the economy was back on its feet.

There have been many critiques of Keynes written over the years.<sup>14</sup> But it seems to me that the simplest way of understanding where Keynes went wrong is to understand what the Bible has to say about economics and politics and compare that to Keynes' ideas.

The Bible has a great deal to say about both economics and politics. Its teachings may be summarized as follows:

Constitutional-capitalism – *laissez-faire* capitalism – in which government has only two functions, the punishment of evildoers and the praise of the good, as Paul wrote in *Romans* 13, is the economic and political consequent and counterpart of Christian theology; it is the practice of which Christian theology is the theory. (John Robbins, *Ecclesiastical Megalomania*, 23, 24)

By his advocating government involvement in the economy in ways the Bible prohibits, Keynes in essence said "let us do evil that good may come." The looming world-wide economic crisis largely can be blamed on economic distortions and exploding debts that resulted from governmental attempts to put Lord Keynes ungodly advice into practice.

## **Conclusion**

Murray Rothbard coined the term welfare-warfare state. That is an apt description of the economics and politics of the 20<sup>th</sup> and early 21<sup>st</sup> centuries. What is often not appreciated is the degree to which the three factors outlined in this article – central banking, fiat currency,

and Keynesian economics – have enabled this tragic state of affairs.

Central banking combined with fiat currency created the necessary monetary apparatus for the creation of the welfare-warfare state. Feckless Keynesian economics provided its intellectual justification. For the past one hundred years, politicians and economists have pushed these fraudulent notions, what in more sane times would be called monetary quackery, on an unsuspecting public. They have told us savings is bad but deficit spending is good; private enterprise cannot be trusted, but government programs are the cure for what ails us; the gold standard is a barbarous relic, but debt-based, fiat monetary Ponzi schemes overseen by unaccountable central bankers are the very height of wisdom.

The apostle Paul called the wisdom of this world foolishness (*1 Corinthians* 3:19), and I can think of no better example of this principle at work than the economics and politics that have been practiced in the West for the past century.

But these ideas did not spring up out of the ground in a vacuum. The nations of the West first rejected Christ, and with him, they also rejected the system of limited government and private property that are the logical corollaries of the Gospel. This cleared the way for the current ungodly system of central banking, fiat currency, and Keynesian economics that is killing our economy and killing our freedom.

Over the past century, the evil fruit of these policies has become manifest: massive government, shrinking personal liberty, a faltering economy, and a debt edifice the likes of which has never been seen in the history of the world. Economists and politicians like to tell us not to worry about the debt, that it's not the problem it appears to be. But God has so constructed the universe that all debts must be paid. And the enormous debts rung up by the governments of the West are no different. They must and shall be paid. And this likely will involve the collapse of the Western standard of living to levels that most of us have not experienced.

When the collapse comes, and it is the opinion of this author that apart from the near-term return of the Lord Jesus Christ there is no possible way for the US and for the Western world in general to avoid severe economic problems in the years ahead, it will be incumbent upon Christians to point out the cause of the disaster. The Keynesian money printers will wail that they are not to blame, that no one could have foreseen the collapse coming, that freedom and capitalism are at fault, that the problem is that we didn't print enough money the first time around, that bigger government deficits are needed, and that they, of all people, should be given even more authority over the economy to ensure the mess is

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<sup>14</sup> For those interested in a more extensive critique of Keynes, the classic work in this area is Henry Hazlitt's *The Failure of the "New Economics": An analysis of the Keynesian Fallacies*. A more recent work opposing Keynesianism is *Where Keynes Went Wrong: And Why World Governments Keep Creating Inflation, Bubbles, and Busts* by Hunter Lewis.

properly fixed and to prevent its future recurrence. All which is nonsense. The reality is that it is the socialist politicians enabled by Keynesian fiat currency printing central bankers who are largely responsible for leading the world over an economic cliff. And these are the last people who should be called on to fix the problem. Constitutional-capitalism, the Biblical economic and political system that built the West in the first place, is the only hope for rebuilding it in the wake of a collapse.

This is not an attempt to be pessimistic. It is, however, an attempt to be realistic. As Christians, we must face things, not as we wish they were, but in light of what the Word of God says. But as bad as things are for the West, those in Christ have every reason to face the future with confidence. There is nothing, not even the smallest detail that is outside God's providence. No matter how bad things may get, he has promised to care for his people. And in this we can put our trust.

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## From the Horror Files

### The Pied Piper Plays Again

John Piper recently wrote a Foreword to Thomas Schreiner's new book, *Faith Alone: The Doctrine of Justification: What the Reformers Taught...and Why It Still Matters*.<sup>15</sup> Piper writes:

As Tom Schreiner says, the book “tackles one of the fundamental questions of our human condition: how can a person be right with God?”

The stunning Christian answer is: *sola fide*—faith alone. But be sure you hear this carefully and precisely: He says *right with God* by faith alone, not *attain heaven* by faith alone. There are other conditions for attaining heaven, but no others for entering a right relationship to God. In fact, one must already be in a right relationship with God by faith alone in order to meet the other conditions. ...

Such faith always “works by love” and produces the “obedience of faith.” And that obedience—imperfect as it is till the day we die—is not the “basis of justification, but...a necessary

evidence and fruit of justification.” In this sense, love and obedience—inherent righteousness—is “required of believers, but not for justification”—that is, required for heaven, not for entering a right-standing with God. ...

And this faith is no mere mental assent, but a heartfelt embrace of Jesus Christ as its all-satisfying treasure. “Justification is by faith alone, for faith finds its *joy* in Christ alone, seeing him as the pearl of great price, the one who is more *desirable* than anything or anyone else” (emphasis added [by Piper]).

Thus Schreiner closes his book with a joyful testimony—and I rejoice to join him in it: “My confidence on the last day...will not rest on my transformation. I have too far to go to put any confidence in what I have accomplished. Instead, I rest on Jesus Christ. He is my righteousness. He is the guarantor of my salvation. I am justified by faith alone, in Christ alone, to the glory of God alone.”<sup>16</sup>

A few logical implications follow:

1. Being righteous before (“right with”/justified) God is insufficient to attain Heaven.
2. Christ's righteousness is insufficient to attain Heaven.
3. Justification is not “the divine verdict of the Eschaton being brought forward into the present time and rendered here and now concerning the believing sinner.”<sup>17</sup>
4. There is **not** therefore **now** no condemnation for those who are in Christ Jesus.
5. Justification is meaningless.
6. I cannot rest in Christ alone on the last day, but must hope in my transformation.<sup>18</sup>

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<sup>16</sup> John Piper, “Foreword,” Thomas Schreiner, *Faith Alone*, 11, 12, emphasis in original unless otherwise noted.

<sup>17</sup> Robert L. Reymond, *A New Systematic Theology of the Christian Faith: 2<sup>nd</sup> Edition – Revised and Updated*, Nashville: Thomas Nelson Publishers, 1998, 743.

<sup>18</sup> Thanks to Brandon Adams and his blog article “Piper's Foreword,” September 17, 2015, viewed January 28, 2016, <https://contrast2.wordpress.com/2015/09/17/pipers-foreword/>.

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<sup>15</sup> Grand Rapids, Michigan: Zondervan, 2015.

## “From Antichrist to Brother in Christ: How Protestant Pastors View the Pope”

“LifeWay asked 1,000 Protestant pastors in America about their views in a phone survey from September 8–21, 2015, shortly before the pontiff’s visit to the United States.”

Here are some of the results of their survey:

More than half of evangelical pastors say Pope Francis is their brother in Christ.

More than one-third say they value the pope’s view on theology, and 3 in 10 say he has improved their view of the Catholic Church.

Nearly 4 in 10 say the pope, known for his humility and concern for the poor, has had a positive impact on their opinions of the Catholic Church. Almost two-thirds view Pope Francis as a genuine Christian and “brother in Christ.”

When asked: “Can a Catholic be a born-again Christian?” Ninety percent of Protestant pastors surveyed responded “Yes,” five percent “No,” and five percent “Not Sure.”

“Those are among the findings of a new study of 1,000 Protestant senior pastors, released this week from Nashville-based LifeWay Research.”

“Overall, the survey found that many Protestant pastors have taken a liking to Pope Francis.”<sup>19</sup>

With survey results like these, many of the Pastors surveyed should not be called Protestants, but rather non-, or even more appropriately, pre-Roman Catholics.

Historically, Protestants have viewed the Pope as Antichrist.

*And the dragon gave him his power and his throne and great authority. I saw one of his heads as if it had been slain, and his fatal wound was healed. And the whole earth was amazed and followed after the beast; they worshiped the dragon because he gave his authority to the beast; and they worshiped the beast, saying, “Who is like the beast, and who is able to wage war with him?” (Revelation 13:2b-4)<sup>20</sup>*

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## Shipping Rate Increase & Book Sale Ending

The Postal Service has raised its rates again, and we have had to adjust our shipping rates. The new shipping rates are as follows:

For US orders – \$6 for the first item, and \$1 for each additional item; for orders to Canada and Mexico – \$23 for the first item, and \$6 for each additional item; for all other countries – \$32 for the first item, and \$6 for each additional item.

The 2015 Overstock Book Sale will be ending March 15, 2016. Please get your orders in before the deadline to take advantage of the sale prices.

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<sup>19</sup> Lisa Cannon Green, Facts and Trends, September 25, 2015, viewed January 28, 2016, <http://www.christianitytoday.com/gleanings/2015/september/antichrist-brother-christ-protestant-pastors-pope-francis.html>.

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<sup>20</sup> Thanks to Sean Gerety for bringing this to my attention. “From Antichrist to Brother in Christ: How Protestant Pastors View the Pope,” October 1, 2015, viewed January 28, 2016, <https://godshammer.wordpress.com/page/2/>.