Behold a Black Horse:

Global Inflation

by John Loeffler, World Affairs Editor

The black horseman of the Book of Revelation speaks of a condition wherein a man's daily wages are so poor, he can barely support himself, much less his family.

For the first time in the history of mankind we are seeing a condition which could fulfill that prophecy: global monetary inflation.

When economic "experts" talk about inflation, they mean a rise in the prices of commodities we buy.

> Inflation is a massive, hidden tax imposed on citizens without their understanding or consent. And for the first time, inflation is universal with all currencies tied together.

According to *Grolier's On-line Encyclopedia:*

> Inflation is a process in which the average level of prices increases at a substantial rate over a considerable period of time. In short, more money is required to buy a given amount of goods and services...[1]

That definition is incorrect, but it does represent a subtle change the economic establishment has inserted into American thinking.

The definition of inflation in *Webster's 1957 New 20th-Century Unabridged Dictionary of English Language* is more accurate:

> Inflation: an increase in the amount of currency in circulation, resulting in a relatively sharp and sudden fall in its value and a rise in prices.[2]

Inflation is an increase in the total amount of money in the supply, which results in a rise in prices.

By changing definitions, the public has been conned into thinking inflation is the result of market pressures rather than monetary pressures caused by an expanding and confiscatory money supply.

This makes it difficult for people to understand what causes inflation and what it does to them in terms of their earning power.

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The Nature of Inflation

Suppose you earn $10 for something you sold or a service you performed. You receive a $10 bill in exchange for your work. It represents the value of your hard work. It also means that at current market prices, your $10 will buy *x* amount of goods.

Along comes government, which prints another $10 bill. It looks just like yours and spends just like yours. The only difference is that government did nothing to create its $10. Remember, you had to work for yours.

Your $10 just became worth $5, but you probably didn't feel anything—as you would if someone just stole $5 from you.

At first, both $10 bills buy the same amount of goods. But after awhile, merchants notice there is more money "out there" and with it, more demand for their products. So they raise their prices.

> Inflation continually erodes the value of money we hold—we must constantly keep our money moving in order to make more money before its value deteriorates as well!

Suddenly, your $10 is worth $5 less than it was before—all while you stood there holding it!

Remember, it is not the products and services which have become worth more; the currency is worth *less* than it was before.

A Lifetime of Loss

Keynesian economic pundits regularly thump the drum that inflation is a normal part of a healthy economy. This is false. It only exists when a monetary system has no sound base.

We are also told that the boom/bust cycle is a normal part of all economic activity. It isn't. It's only part of an inflating money supply, and today that inflation is worldwide.

Inflation continually erodes the value of money we hold. We must constantly keep our money moving in order to make more money before its value deteriorates as well.

Economists say inflation between 3% and 5% is normal to moderate—a sign of a healthy, expanding economy. But let's assume 5% inflation over the lifetime of an individual. That 5% devaluation applies not only to the money earned this year, but to all money saved from previous years.

At the end of year one, a dollar is worth 95 cents. At the end of year two, 95 cents is reduced again by 5%, being worth 90 cents and so on.

By the time a person has worked 20 years, government will have confiscated by inflation 64% of every dollar the person saved over those years—not by taxes but by inflation.

By the time he has worked 45 years, the hidden tax will be 90%. The government will take virtually everything a person saves over his entire lifetime, *not counting what he will pay in income taxes!*

Inflation destroys faith in government and sets social classes against each other. It forces everyone to run faster and faster, take on additional jobs etc., just to stay par.

Inflation clobbers the poor hardest, since they have little playing room with their money. They are joined each year by more members of the productive middle class who are wiped out by the ravages of inflation, at a rate of only 5% a year.

> An understanding of global inflation is the key to understanding the situation that the Bible speaks of in the end times.

Who Benefits from Inflation?

In an inflationary environment, wealth is neither created nor destroyed. It is simply transferred from the people who actually produce goods and services to those who print the "funny money."

Those who get funny money first—usually government—win. Those who get it last lose.

Governments inflate to fund their operations, whether they be socialistic spending programs as in the case of western governments or military as in the case of dictatorships, all of which are more than eagerly financed by the global banking establishment; there is no honor among thieves.

An understanding of global inflation is the key to understanding the situation that the Bible speaks of in the end times. For the first time in the history of the world, inflation is a universal phenomenon with all currencies tied together.

By this mechanism a government can operate entirely without taxes. The lifetime economic output of every human being in the world is now at its disposal.

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For a comprehensive analysis of the global financial situation, watch for Chuck Missler's next briefing package, *Behold a Black Horse*, available next month, which is the second in a five-part series on the horsemen of the Book of Revelation. (*Behold a Pale Horse* is now available. See the order form on page 23 of this issue.)

Notes:

1. *Grolier's On-line Encyclopedia*, "Inflation," Compuserve.

2. *Webster's New 20th-Century Unabridged Dictionary of English Language*, 1957.

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