

NEWS WATCH FOR *the* CHURCH OF GOD

News in the world and church — to give warning and help for God's people — by Ron Weinland

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THIS ISSUE

This edition of News Watch will contain more information on the escalation of worsening conditions in this world, where the primary focus has tended to be more on the church. The reason for this should be evident. The growing problems in this world will deliver a punishing blow to the Church. The Church has failed to learn from its past mistakes and stubbornly refuses to acknowledge the obvious condition of our spiritual state. Instead, most leaders in the Church are filled with a spirit of haughtiness and self will, which God says He will bring down!

The Church has become heinously tolerant of sin in its leaders and in their own personal lives. Of all times, we should be seeking to clean up the Temple of God, which temple we are (I Corinthians 3:16-17). The spirit we see in this nation, which has such great tolerance of sin in its leadership, is the same spirit we see in the Church.

And so, just as it prophesies in Amos 4, God gave punishment upon punishment. Each time it became stronger. After each punishment God said, *"Yet you have not returned to Me."* The greater part of the Church is filled with too much pride to hear such warnings! Brethren would rather believe this has only a physical fulfillment to Israel and not a spiritual fulfillment to the Israel of God, the Church. *"Therefore thus will I do to you, O Israel; And because I will do this to you, Prepare to meet you God, O Israel!"* (Amos 4:12, NKJ). How prepared are you?

The greater part of the Church that insists on holding firmly to its pride will be brought to down. *"Hear this word which I take up against you, this lamentation, O house of Israel: The virgin of Israel has fallen; she will rise no more. She lies forsaken on her land; There is no one to raise her up. For thus says the Lord God: "The city that goes out by a thousand shall have a hundred left, and that which goes*

out by a hundred shall have ten left to the house of Israel." For thus says the Lord to the house of Israel: "Seek Me and live;" (Amos 5:1-3, NKJ). Such scriptures should be sobering to the Israel of God. Of that which is scattered, only a tenth will remain. That is a very small remnant!

If you haven't received the following sermons, you might want to take a more sobering look at this subject. You may request "Our Zeal for God's Temple" and "A Time of Lamentation, Parts 1 & 2." NW

NEWS WATCH of the Church

"SPIRITUAL RECESSION"

As we look at the world scene, we see more nations sliding deeper into economic recession and some are already experiencing economic depression. What is now beginning to be experienced by the world is what the Church has been experiencing for some time now. For the Church however, it is spiritual.

To be in recession is to recede or withdraw. The Church has been experiencing spiritual movement "backward" or "away from" God. Yet brethren want to deny such a condition. But sad to say, the truth of it is in our numbers. We have lost more than 80 percent of those "who keep the commandments of God and have the testimony of Jesus Christ." The remaining 20 percent is not healthy either! Much of it is in *spiritual recession*. But few will listen to such warnings. These are indeed the times of lamentation for the Church.

It is becoming more evident the world itself is beginning to experience times of lamentation. What is happening in this world should sober all of us to the core of our being! The times just ahead of us are the times that will try us far more deeply than anything we have experienced so far. We are about to be tried to the very depth of our being concerning the true

strength of our convictions and faith before our God.

The United States has lived in denial of the potential for an economic calamity which is now beginning to unfold. She has behaved in a haughty fashion, greedily bathing in false affluence. The Church has done the exact same thing spiritually! Too many brethren have behaved with pride, falsely believing their efforts are producing great fruit and that they are being positively blessed --- made rich. That is about to come to a screeching halt. Depression is on the doorstep.

Economically, some countries have been declaring recession. Many nations are in recession and several countries are already in depression! More are going to quickly follow with the same fate. As this nation and other western nations begin to feel the full blunt of depressing economies, the Church will begin to feel the same blow. Then brethren will be tried to see if they will repent of their spiritual recession before they fall into spiritual depression!

Now is the time to sigh and cry for what has happened, is now happening, and what will yet happen to the Church. Can we be moved to deep lamentation for the scattered Church and the condition we see it in?

Your ability to be turned to your brethren out of deep love and concern, with sighing and crying, will prove to be a final sifting and dividing amongst God's people. There will come the time, and that time may well be upon us, when God says, *"set a mark upon the foreheads of the men that sigh and cry for all the abominations that be done in the midst thereof"* (Ezekiel 9:4).

As the global economic recession and depression continues to grow, it will have a growing impact on brethren. Personal income will suffer and people *will be* losing their jobs. Tithes and offerings are going to decrease rapidly. What will organizations do then? Will they continue to focus away from the

scattered Church and toward this world? Will the spiritual famine increase even more drastically as a result of organizations making much deeper cuts, resulting in less service and care to the scattered flock? That is exactly what will happen! As it does, many brethren will slip from spiritual recession into spiritual depression.

Who listens? Who cares? The elect does! And God Almighty will see them through the worst times of human history! NW

NEWS WATCH of the WORLD

You may not care about reading of global economics or other conditions that are escalating on the world scene, but you would be wise to take the time and consider these matters. Material being covered in this section of *News Watch* is going to result in the most devastating times for human history. The impact is going to drastically change our way of life within the Church of God. Things are not going to remain the same much longer!

You are going to be confronted with some of your most challenging choices yet. God's people are about to be tried to the core of their being. Our truest convictions or lack thereof will come to light. Now more than ever is the time to repent of our self will and disobedience to God. We are a spoiled people filled with lethargy, complacency, pride, and sin.

People have been scoffing that this day would ever come. Even in the Church, brethren, including the ministry, have been putting this time farther off. Now it is on the doorstep! What is happening in this world is of catastrophic proportions. The domino effect that has already started in national economies is escalating in intensity. A global crash is inevitable! From that point, nation will begin to rise against nation. Those rumblings have already begun!

We are witnessing events that can soon turn to a struggle in Europe, leading to ten kings giving themselves

quickly to the beast which arises to conquer the earth.

The material we are going to cover in the remainder of *News Watch* is from events up to the day of this writing, which is Monday, Aug. 31st.

GLOBAL CRASH!?!

These are indeed sobering times. Today's news on Wall Street ended with the Dow industrial ending down 512 points to 7,539. Panic is beginning to set in. Tomorrow or a tomorrow that is soon to come could bring panic not seen since the Great Crash.

On July 17 the Dow Jones industrial was at a record high of 9,337 and up 18.1 percent for the year. Today's market saw a 19.3 percent drop from that high. This drop brought the Dow to a negative 4.7 percent loss for this year.

The rocky markets of the past week have led to panic movement of capital in flight to safer ground in bonds. To get an idea of the shattering effect that is beginning to be felt around the world, a list of nations and their percentage losses might help shed light on the true nature of the stress.

These markets are in the + column for the year, even though hard hit.

Belgium.....	3226 +33%
Italy.....	21430 +25%
France.....	3708 +23%
Germany.....	4993 +14%
Switzerland..	6786 + 8%
Britain.....	5249 + 2%

Then we come to markets that are taking a more severe beating.

U.S.	7539 - 4.7%
Australia.....	2480 - 5.2%
Japan.....	14107 - 7.5%
Canada.....	5766 - 13.9%
Hong Kong..	7275 - 32%
Brazil.....	6746 - 36%
Singapore.....	885 - 42%
Mexico.....	3154 - 42%
Argentina.....	364 - 48%

It doesn't take a genius to figure out this shows the world is in for a rough ride ahead.

On top of this, currency losses reveal an even greater problem. The following figures show the percentage in drop from one year on foreign currencies against the U.S. dollar.

Canadian dollar.....	- 14%
Japanese yen.....	- 20%
Mexican peso.....	- 28%
Australian dollar.....	- 33%
S. Korean won.....	-45%

TOKYO STOCKS AT 12-YEAR LOW

Last Friday the 28th, the Associated Press reported, "Japanese stock prices nose-dived to their lowest levels in a dozen years today when fears about global financial turmoil and the stalled domestic economy prompted a broad sell off. The 225-issue Nikkei Stock Average closed below the 14,000 points, losing 498.16 points, or 3.46 percent, to finish the week at 13,915.63."

Japan has the world's second largest economy. In 1989, stocks on the Nikkei peaked at 38,915 and then the bubble burst. The value of their stocks have now rolled back to prices in 1986. Those problems that struck in 1989 and the early 90's carried a price tag of \$250 billion. Today the problem is much worse. As it was reported in last month's *News Watch*, Tokyo has admitted their bad debts are now close to \$1 trillion. That issue went on to show that most experts believe losses in the life insurance industry could amount to another several hundred billion dollars. Japan is in a world of hurt. Her economy has only begun to show signs of how sick she truly is.

FURTHER STORMS

The Wall Street Journal (8/31/98) carried an article titled "Global Markets May Face Further Storms." The following quotes are taken from that article and give good insight into the depth of underlying problems within the Japanese economy.

"With its troubled banks, many experts warn, Japan remains a far bigger issue than Russia for many international investors.

In this dangerous climate, what are investors to do? Nearly everyone's advice is: Increase bond holdings. And, sure enough, U.S. Treasury and European bonds, especially German bonds, have been the beneficiaries of a desperate flight to quality.

Last week, Japan's stock market dropped 9%, dragging the benchmark Nikkei 225 index below the 14000-point level. On Friday alone, the Nikkei 225 index plunged 3.5%, or 498.16 points, to close at 13915.63, a 12-year low.

Such declines look small alongside the gyrations in Russia -- the Russian Trading System index has plunged as much as 17% in a single day. But Tokyo's moves are far more significant, given that Japan is the world's second biggest economy and third biggest stock market after the U.S. and London.

Japanese investors, both private and government, are the liquidity suppliers to the world. In addition to owning tens of billions in U.S. Treasuries, they are also big investors in German government bonds. Moreover, Japan's banks are the world's biggest lenders. At the end of 1997, Japanese banks had assets of \$2.059 trillion, compared with \$1.436 trillion for German banks and \$1.018 trillion for U.S. banks, according to the Bank for International Settlements. In fact, Japan's banks accounted for 23% of all assets of the world's banks.

Yet, Japan's banking sector, saddled with bad loans, remains in a perilous state. Carl Weinberg, chief economist at High Frequency Economics, an economic consulting firm in Valhalla, N.Y., cautions that more banks in Japan could fail as the Nikkei keeps falling.

The longer Japan's problems persist, the more difficult it will be for crisis-stricken economies elsewhere in Asia to recover. In recent days, Malaysia, South Korea and Hong Kong have each reported dire economic news, confirming investors' fears that these countries are nowhere near recovery."

There are even greater fears among economists who have been warning of a much greater catastrophe on the world markets if the government of Hong Kong devalues its currency against the dollar. This same article in The Wall Street Journal gives a good summary of those fears.

"In Hong Kong, the government said on Friday that gross domestic

product contracted by about 5% in the second quarter, following a 2.8% decline in the first quarter. The Hang Seng Index shed 1.2%, even though Hong Kong's effective central bank continued to intervene in the stock market in an attempt to ward off speculators who are betting that Hong Kong will be forced to abandon its currency's peg to the U.S. dollar.

The Hong Kong Monetary Authority, the effective central bank, started intervening in the stock market on August 14 and has successfully boosted the key index. But after reportedly spending \$7.4 billion on Friday to prop up Hong Kong stocks -- about 75% of the market's trading volume -- the Hong Kong authorities are beginning to lose their battle with speculators, said Bridgewater Associates, a Wilton, Conn., money-management firm, in a fax to clients.

If Hong Kong breaks its currency's peg to the U.S. dollar, "it spells the end of Hong Kong as a world financial center," warns David Malpass, chief international economist at Bear, Stearns & Co. in New York. Worse still, many fear that if Hong Kong's peg goes, the immediate impact would be a severe blow to the currencies of Brazil and Argentina, leading to further rounds of competitive currency devaluations."

Suffice it to say, Hong Kong will not be able to do what Russia couldn't. The domino effect of one country upon another is now out of control. Anything that governments do at this point will be a catch-22. No matter what anyone does, it will work against them. Recession is already riding high and depression is on the way. It isn't good news by any means, but it is real!

A RAPID CHANGE OF FACE

This world appears to be on the verge of having a rapid change of face in every area of life. Economic upheaval will bring national upheaval within and between nations. This process has already started in Russia.

Barron's, the Dow Jones Business and Financial Weekly paper, carried an article in the August 31st issue titled "Exploring the D-Word." As

with the previous article, this article addresses these economic problems quite candidly. The following quotes are from that article which is an interview with Marc Faber who is an international investor and editor of the Hong Kong - based Bloom, Boom & Doom Report.

"As a student of economic history and someone long interested in boom-and-bust cycles, especially last century's in America, and having worked in the investment field since 1970, having experienced the great 1973-74 bear market -- that Asia's total collapse in just eight months is unprecedented in its rapidity. In dollar terms, a lot of the GDPs in Asia have declined by 50%. Indonesia's percapita income in dollars has collapsed by some 80% -- and its total GDP, with a population of 200 million, is now smaller than Switzerland's with just seven million people. At the same time, Asian financial markets, in dollar terms, are down anywhere between 70% and 90%. The wealth destruction is unprecedented. This is a depression in Asia, not a recession.

The best medicine would be for the Western world to accept the fact that you have to give them breathing space. Let's say, six to nine months in which these countries wouldn't pay the interest on their debts; in which they could stabilize their domestic economies one way or another. Otherwise, I see a problem similar to Germany's after World War I, where the reparation payments were just too burdensome, resulting in hyperinflation and all its social consequences, including the rise of the Nazis. We have to be very careful that these emerging economies don't get out of hand, leading to widespread political and social disturbances.

Asia is in a depression. Now the Eastern European complex and Russia are in crisis. You have yield spreads widening in Latin America, the stock markets there tumbling, so I cannot imagine their economies doing very well in the near future. Essentially, 80% of the world's population has just been impoverished.

So while investors, in general, should start to look at positioning themselves in Asia, I don't think there is any hurry. Especially if we get into a global depression, you don't want to own anything at all, except cash and best-quality bonds.

Maybe everybody is right and there is no risk in the Western economies. But based on recent experience in Japan and in Asia, the business cycle is more pronounced today than ever before because of the power of financial markets. In Asia, we have given back all the stock markets' gains since 1985-86. If you took the Dow back to 1985-86 levels, you would be below 2000. It may not happen. But the markets in the U.S. and Europe could easily go down 50% from their highs, putting the Dow at 4500.

The Asian crisis has had a major impact on commodities producers -- who have to sell, because they need the foreign exchange. Another similarity, today, to the late 'Twenties. Emerging-market economies at that time were forced to sell agricultural commodities whose prices were falling while their import prices were steady or rising. The terms of trade deteriorated. Eventually, the wealth inequality between the world's rural and urban populations was part of the cause of the Depression."

HOW PREPARED ARE YOU?

Such reporting as we have just read is not pleasant to read, but they aptly express the reality of the times in which we live. It would be good for us to be reminded of what was written in the January issue of *News Watch*.

"One of the first things that will most certainly affect God's people is the financial crisis that is looming on the horizon. This will deliver one of the most crushing blows through events that are going to begin unfolding in the near future.

An economic collapse is imminent. It is not a question of whether it will happen, but when. A world economy will no longer make it possible for any nation to escape the emerging tidal wave of disaster.

Ignoring the possibilities or refusing to face the possibilities, doesn't mean it won't happen. It will happen! How prepared are you? That is not a financial consideration, but a spiritual one. No amount of financial preparation will deliver anyone.

Have we forgotten our history? Do we know what effect world economies had on the events that led to WW II?

The Asian contagion cannot be healed. Although many economists try to play down the devastating potential of what looms on the horizon, reports continue to make national economies uneasy. Even in this world, most people choose to bury their heads in the sand and try to convince others that everything is all right."

It didn't take long for these events to burst on the scene! It has only been eight months since the things mentioned in that issue have finally come upon us. Now is the time to be sobered to the core of our being and begin responding more zealously than ever before to making ourselves spiritually ready. Conditions in this world will only become worse from this point forward. They will also begin to move much more rapidly -- possibly toward the worst times of all human history. Are you ready? **NW**

BAD WEATHER WORSENS PLIGHT

Worsening weather conditions in this world are forcing the economic slide to escalate and accelerate.

From Reuters (8/26/98) we read, "Damage from devastating flooding that has killed more than 3,000 people and left millions more homeless could cost 200-300 billion yuan (\$24-\$36 billion), said Hu Angang, an economist at the Chinese Academy of Sciences. Economic losses from flooding would be roughly equal to 3.0-4.0 percent of China's gross domestic product, he said in a report on the effect of flooding on the economy."

More than 17 million homes have been damaged, 5 million homes destroyed and 53 million acres of farmland have been inundated (or more than 83,000 square miles). And

these figures are a month old. China is not releasing updated figures.

Reuters reported today (8/31/98) that, "Weary flood workers, beset by disease and shortages of clothes and building materials, were battling yet another "devastating" surge of the Yangtze River, state media said. The Yangtze's eighth flood crest of the year was rushing towards central Hubei province's Yichang city, a city of four million people. While a clear picture of the economic toll has yet to emerge, the China Daily gave a glimpse into the devastation by revealing that economic growth in Jiangxi province's Juiange city stood at negative 20 percent."

The increase of worsening weather, as was covered in the August issue of *News Watch*, is compounding the crushing effect of economic collapse that is striking at countries around the world.

From Associated Press (8/31/98) in India, "Aid workers today pulled bloated bodies from the turbulent waters submerging a wide swath of northern India. Jeetendra Singh, a government official, said an estimated 1.5 million villagers were marooned by floodwaters. Thousands of acres of crops were submerged, along with tens of thousands of homes." Reuters reports that 31 million people have been affected by the rising water levels.

This doesn't even cover all the deaths and destruction from flooding reported in the past week in Japan, Sudan, Nepal, Bangladesh, Yemen, North and South Korea.

DARK CLOUDS ARE GATHERING!

The news we hear day by day is earth shaking and as a result, we should be shaken to the core of our being to recognize the seriousness of the times in which we live. Dark clouds are gathering and we had better be ready! We are to be spiritually ready and watchful at all times.

NOW is the time to respond to God's warnings. Prophecies show that far too many will not respond. Will you? What are you doing to make yourself ready? **NW**