

*New York Times* Best-selling Author

# JOHN HAGEE

# FINANCIAL ARMAGEDDON

**What you must do to survive  
the devastation of an economic collapse!**

**We are in a battle for our very survival...**

- Discover how oil will become the ultimate weapon of war
- Learn the four events that will cause the West to implode
- Keep your investments from funding the enemy's advance
- Why energy independence is key to our survival

# FINANCIAL ARMAGEDDON

INSTRUCTIONS FOR READING THE PDF.  
*(For ease of viewing follow these instructions)*

From your top toolbar in Acrobat Reader:

- \* Select VIEW
- \* Select FULL SCREEN MODE
- \* Use arrows on keyboard to advance through pages  
OR click on screen to advance to next page
- \* Click ESC (escape) key on your keyboard to get  
back to regular screen view

JOHN HAGEE

**FRONT  
LINE**  
  
A STRANG COMPANY

## Foreword

THE FINANCIAL CRISIS THAT DEVELOPED ON WALL STREET in the fall of 2008 is unlike anything I've seen before in my career. No one seems to have the answers, even though everyone is trying to figure out what the crisis means.

*Financial Armageddon* by Pastor John Hagee provides answers from the Word of God. Hagee is a powerful minister whose preaching and teaching put difficult times into perspective for Christians, and he has great insight into the meaning of current events from a biblical perspective. For example, when oil prices skyrocketed in mid-2008, Hagee prepared a teaching series titled "The Oil Crisis and the Road to Armageddon." The response to the series was more than double what is usually expected. Why? Because people want answers, and Hagee gives them.

I believe the existing crisis is so important that I encouraged our Strang Book Group to rush this book into print. It appeared on bookstore shelves only six weeks after we conceived the idea—a time frame that is almost unheard of in publishing circles.

The problems we are currently experiencing have a greater significance than a typical credit crunch or mortgage crisis. They are a precursor to a tremendous battle that will take place at what the Bible calls *Armageddon*. (See Revelation 16:14, 16.) In order to understand them, we must learn to discern the times, as the sons of Issachar did in 1 Chronicles 12:32, and view them in light of the Word of God.

As a businessman, I read Hagee's manuscript with great interest. What happens on Wall Street or in international markets affects me and those who work with me. Plus, I have some investments in the stock market for my retirement years, and I don't want to see them wiped out. Whether you own a business as I do or work for someone else, I know you too want to understand what is going on.

Let me add my perspective to what you're about to read, and

maybe I can help you comprehend something about what the media sometimes hysterically call *a financial meltdown*.

The stock market has plummeted before, and I believe it will recover. So I'm not planning to revamp my stock portfolio. I expect the value of the stocks to increase in the future. I still remember the dot-com bubble that burst a few years ago, the recession of 1992, and the terrible "stagflation" of the 1970s when I was just beginning my career.

Our current situation has come as no surprise. Considering some of the bad loans that were made, the *creative instruments* Wall Street created, and the overblown real estate market, it was only a matter of time until something drastic happened to correct the mistakes. But the panic that has set in has made the problems worse, even though our federal government has spent billions of dollars to try to stabilize the market.

I think we can expect that America will come out of this bear market and financial slump just as it has before. But every time we experience a downturn, people want our government to do more. Year by year we become more of an international market, depending on international banks to help stabilize the financial situation. If this doesn't occur, people panic.

When people panic, they look for a strong leader who will give them what they want and make their financial problems go away. Do you see the pattern that develops? A global economy and global crises make people yearn for a global leader to solve their problems. Suddenly you have the scenario the Bible says leads to the rise of a man called the Antichrist, who leads us into the Battle of Armageddon!

If you don't think this is possible, look at history. It was the terrible inflation and financial problems after World War I in Germany that made the people turn to Hitler. Not only *could* it happen again, but, according to the Bible, it *will* happen again.

That's why it's important to understand what is going on. All of us are at risk because we live in a complex, world-financial system that causes us to be dependent on others to provide the groceries we buy and to deliver the gas we put in our cars. We are dependent on others to have the money to

buy the goods and services we sell or to pay our paychecks. When any part of the system breaks down, we are vulnerable like everyone else. Period.

So we must do what we can not only to survive but also to thrive in difficult economic situations such as the current bear market on Wall Street, which may be part of the bigger financial Armageddon that is coming.

The first step is to rein in our fear. Financial crisis can lead to collapse simply because people become afraid and panic. We must understand that God's Word is true whether stocks are up or down and whether credit is tight or abundant.

Long before President Franklin D. Roosevelt, in his 1933 inaugural address, said in reference to the depressed economic condition of our nation, "The only thing we have to fear is fear itself,"<sup>1</sup> God Himself had given us the admonition not to fear. He said through the prophet Isaiah, "Fear not, for I have redeemed you. . . . When you pass through the waters, I will be with you; and through the rivers, they shall not overflow you. When you walk through the fire, you shall not be burned, nor shall the flame scorch you. . . . Since you were precious in My sight, you have been honored, and I have loved you" (Isa. 43:1–4).

Next we must understand that there are different levels of economic problems. The first is a normal negative cycle in the markets. Such cycles come and go, and things usually get better. But at the same time, they set us up for a greater danger, what author Larry Bates calls "the new economic disorder," in which world banks control the money, cartels control oil, and evil leaders set the scenario for the coming Antichrist.<sup>2</sup>

When Armageddon comes, no one will escape it, because world events will crash together with biblical prophecy in the final conflict of the ages, as Pastor Hagee explains in these pages. Yet there is hope for believers who understand that the Rapture will take away Christians "in the twinkling of an eye."

Of course, it's that knowledge that has also led generations of Christians to be passive and simply wait for the Second Coming to whisk them away from all the troubles of the world. Their attitude is like that of the preacher who joked, "It's easier

to think about the ‘sweet by-and-by’ than it is to deal with the nasty now-and-now.”

Maybe the problems we’re experiencing will wake up the church. Maybe godly leaders will emerge in government and the economic community to provide answers based on the principles of God’s Word that will change the tide or at least slow it down.

Some Christians in the world—believers in the Sudan, Communist China, or India, where there has been so much violence against Christians, or in the Muslim world, where Christianity is banned—may think Armageddon has already begun. Americans, on the other hand, believe they are somehow immune. They think, “Surely these problems won’t happen to us.” We’ve been blessed with relative peace and prosperity so long we believe they are our rights. Yet bad things can happen and are happening. As the leader of the free world, America is not exempt.

Consider 9/11. We never thought we would be attacked on our own soil, but we were. I believe many other events that have been prophesied will take place, and we can only prepare.

As people the world over become more and more hostile to the gospel, and as those who are evil get into power and take away our freedoms, Christians must do what the Jews did in Europe, where they were persecuted for years—engage in professions and trades we can take with us when things get bad. The trend that developed during those years explains why many Jews are in banking, jewelry, and so on rather than farming today.

So what can Christians do? Start businesses. Get involved in the process to change things rather than being subject to the whims of big business.

Then run your small business in a way that can handle a downturn. Have reserves; keep debt low; make fallback plans. In the process, be able to help others as the Bible says.

Too often Christians, like the men Moses sent to spy out the Promised Land (Num. 13:32–33), have seen themselves as grasshoppers in their own eyes—in this case, as being at the

bottom of the economic totem pole just waiting for the Rapture. This image is not accurate, and the Bible has answers for the mess we’re in. That’s why John Hagee’s book is so important. Read it and share it with friends. Follow the advice he gives.

Remember that, no matter what happens, we are to do as the nobleman in the Bible instructed his servants, and “occupy till [our Master] come[s]” (Luke 19:13, KJV).

—STEPHEN STRANG  
FOUNDER AND PUBLISHER OF *CHARISMA*

## Chapter 2

# AMERICA'S ECONOMIC MELTDOWN: THE PERFECT STORM



IN THIS CHAPTER, WE WILL DISCOVER HOW OUR GLOBAL economic crisis reveals a panorama of things to come.<sup>1</sup> In the past quarter century, the United States has witnessed unparalleled economic growth. During this period, the nation gained forty million jobs, the Dow Jones moved from eight hundred to over fourteen thousand, and the world saw a significant reduction in poverty.<sup>2</sup>

However, by the end of Friday, October 10, 2008, the Dow ended its worst week in history, dropping over 18 percent in just five days. Even more troubling, from its high one year earlier, the Dow was down over 40 percent. Another stock market indicator, the S&P 500, was down over 42 percent.<sup>3</sup> One estimate suggested that more than \$7 trillion in shareholder value had been wiped out.<sup>4</sup>

In the two previous years, more than one million people had lost their homes, with another million expected to lose them in the coming year.<sup>5</sup> One scholar believes it is conceivable we could see a total drop of 25 percent in housing prices, comparable to the Great Depression.<sup>6</sup> Former Federal Reserve chairman Paul Volcker has said, “We are in the midst of the worst financial turmoil since the Great Depression.”

We are not there yet. Unemployment during that period hit

25 percent, far worse than the current 6 percent, and the nation experienced sharp drops in GDP (gross domestic product), something the nation has yet to see in 2008. Nevertheless, banks have failed, the federal government is taking direct control of large parts of the American economy, and political leaders are promising large tax hikes in response to the crisis.<sup>7</sup> Comparisons to the 1930s are becoming more common and have even entered the political debate.

The United States has experienced banking crises before in its history. Earlier examples include 1797, 1819, 1837, 1857, 1873, 1893, 1907, 1929, and 1987.<sup>8</sup> The question is: What caused the current financial crisis? This chapter will outline the causes of our current problems, connecting those causes to other aspects of the American and world economic systems.

## HOW THE FINANCIAL CRISIS EVOLVED

The current financial crisis was caused by the real estate bubble that began in the late 1990s, but it is connected and linked to a variety of other factors. In an effort to clarify the story, I will treat each factor in turn, but it is important to recognize that these various elements are all interconnected.

### Subprime lending

A central aspect of the public philosophy in the United States is home ownership. One scholar calls it a “national obsession.”<sup>9</sup> Home ownership is perceived as an integral part of the American dream, and public policy is geared to promote it. The federal income tax code is structured to encourage home ownership, and it has been a key aspect of electoral politics. This philosophy became so powerful that in 1977 Congress passed, and President Jimmy Carter signed into law, the Community Reinvestment Act (CRA), which declared that banks have “an affirmative obligation” to meet the credit needs of the communities in which they are chartered. When banks were later accused of discriminating against poor and minority neighborhoods, the Clinton administration tightened the regulations on banks to encourage them to invest more money in higher-risk areas.

The federal government also encourages home ownership through the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). Fannie Mae was established during the Great Depression, while Freddie Mac was created in 1970 to provide competition to Fannie Mae. Although the two companies eventually became publicly traded companies, the federal government heavily regulates them, and their charters require them to promote home ownership among lower-income and disadvantaged groups.<sup>10</sup> In this sense, home ownership for the poor is seen by some as a key civil rights issue, and both President Bill Clinton and President George W. Bush pushed home ownership as a matter of policy.

None of this explains why things got out of hand. How did a philosophy of home ownership become a real estate bubble that burst?

As recently as the early 1980s, mortgage rates were as high as 18 percent. By 2003 they had declined to just over 5 percent. In the interim, several important things happened. In the 1990s, China began to rise in importance as an economic powerhouse. Manufacturing in China began to flood the world with cheap products, which helped to keep inflation low. This allowed central banks, such as the Federal Reserve in the United States, to keep interest rates very low.

Deflation, not inflation, was a major concern. When the tech-stock bubble collapsed in 2000, leading to the relatively mild recession of 2001, investors looked for a place to put their money. That place was real estate.<sup>11</sup>

For most of the century prior to 1997, home prices had not changed very much. When adjusted for inflation, prices varied slightly within a fairly narrow band. But in the late 1990s, a housing boom took off. From 1997 to 2006, real home prices increased 85 percent.<sup>12</sup> Home sales rose and prices rose, causing building construction to rise for all sorts of reasons. Some buyers simply wanted to take advantage of the boom to renovate or remodel their homes. Others wanted to refinance to gain greater wealth. Some used the opportunity to trade up

to a higher-quality home. First-time buyers sought to grab a piece of the American dream.

One of the things that made this massive level of activity possible was the existence of subprime loans. *Subprime loans* are loans made to individuals who have a weak or troubled credit history.<sup>13</sup> *Prime borrowers* are people who have a good history of debt repayment. *Subprime borrowers* are people who either have problems with debt repayment or who have no credit history at all. With official government policy encouraging home ownership for as many people as possible, incentives existed for lending institutions to provide new loan products for people with shaky credit histories—especially those from poor or minority neighborhoods, the prime target of Fannie Mae and Freddie Mac.

Policy makers, including Federal Reserve chairman Alan Greenspan, encouraged the development and use of subprime loans. In 2006, 90 percent of subprime loans came in the form of adjustable rate mortgages (ARMs). Fixed-rate mortgages, the more traditional form of financing homes, lock in monthly payments that never change. ARMs typically start at an interest rate lower than fixed-rate loans but reset after a period of time to match a specific interest rate benchmark. Rates may adjust as often as every six months, up or down depending on the interest rate. Other vehicles used to encourage home ownership included little to no down payments, minimal or nonexistent proof of income, and even *stated income* loans in which the borrower simply states his income and the lender accepts that number without proof.<sup>14</sup> In short, lenders who should have known better were giving loans to people purchasing homes they could not afford.

All of this activity might have been fine had housing prices continued to rise. However, scholars analyzing this situation agreed that a bubble psychology took shape in the global economy. People began to believe we were in a new era in which prices would never come down, at least not nationally. In a new era of *riskless risk*, people began to think that home prices would stay high permanently.<sup>15</sup>

The housing boom turned into a bubble when people began to think of housing not as a means to buy a home but as an investment. With the tech-stock bubble gone and low interest rates, what can we do with our money? So, investors sought a piece of the action, as did speculators who bought and sold properties quickly for a profit. Banks took advantage of the situation to seek higher profits by making riskier bets. Instead of banks holding a mortgage for the life of the loan, banks began to collect all of the loans, including risky subprime loans, into a single pool; then they divided this pool into separate pieces to sell to a global market.<sup>16</sup>

The ride came to an abrupt end in 2006. As housing prices continued to rise, housing construction boomed. Eventually prices got too high, and overpriced homes began to fall in value. When adjustable-rate mortgages had their rates reset, people suddenly found they could not afford to make their payments. Home owners saw three hundred fifty dollars per month added to their house payment. The result was the beginning of an era of bankruptcies and foreclosures that has yet to end. Home owners soon owed more on their loans than their houses were worth. Prices came crashing down, with the drop felt in all sectors of the country and at all price tiers, as well as overseas.<sup>17</sup>

Far worse, banking institutions were caught flat-footed. Bad subprime loans had been divided into many smaller parts and spread throughout the world's financial system, and all of a sudden those investment vehicles were bad. No one knew exactly where these assets were, and the result was a panic and loss of faith and trust in the system. This led to a reevaluation of risk in general. After all, if mortgages were overvalued, so might be all kinds of other assets. This is how the bundling of mortgages, comprising only \$200 billion in a multitrillion-dollar global economy, could cause banks in other countries to go under.<sup>18</sup>

The result in 2008 is now well known. The housing crash and ensuing loss of confidence in the credit markets caused the investment firm Bear Stearns to lose access to credit in March. At that time, the federal government chose to intervene and

rescue Bear Stearns by facilitating its sale to JPMorgan Chase. Congress gave the Treasury Department authority to take over Fannie Mae and Freddie Mac in July, and the Treasury nationalized those two entities on September 8.

On September 15, Lehman Brothers took the honors for the largest bankruptcy filing in American history. The following day, the Federal Reserve made a loan to shore up American International Group (AIG), the largest insurance company in the world. All of these firms had trouble securing financing because of the housing crash, due primarily to bad subprime loans. As financial institutions throughout the world began to understand what had happened, the resulting loss of trust prompted them to stop lending to each other.

In the wake of these actions and the resulting stock market turmoil, the federal government is taking unprecedented actions to address the problem, including a \$700 billion bailout plan for Wall Street and claiming part ownership of the largest banks to provide stability to the market.

### **Other factors**

The relationship between subprime lending and the housing bubble was the principal cause of the current financial crisis, but there are related factors as well. For example, the role of the new Chinese economy cannot be overstated. China's emergence as an economic power in the 1990s helped force down prices for manufactured goods, leading the Federal Reserve to keep interest rates down to fight deflation. China's entry into the World Trade Organization (WTO) made it a low-cost place to produce goods, and China soon began producing more than 10 percent of the world's goods, adversely impacting industries in other countries. The resulting trade deficit meant foreign countries were investing heavily in U.S. Treasury bonds, as well as other items such as mortgage securities. Chinese demand and explosive growth also led to soaring oil prices, thus linking real estate speculation to speculation in energy. The surge in oil prices led to increasing investment in energy, including ethanol, which led in turn to a surge in food prices, creating tremendous problems in developing countries.<sup>19</sup>

Some scholars call attention to the potentially dangerous role China plays in the global economy. Potentially, China represents the next economic bubble. In its attempt to join market forces to a Marxist political system ripe with corruption and inefficiency, China is paving the way for problems at the global level. Its purchasing of commodities worldwide, including oil, indicates a similar psychology to the real estate bubble—no one believes it will burst. When it does, the consequences for the world will be deflation, global stock market collapse, and long-term stagnation.

The growing disproportionate male-female ratio in China, due to its one-child policy and common practice of aborting female babies, is creating a demographic nightmare that will only compound the problem. Alternatively, China could withdraw its reserves from the global system, leading to world inflation as central banks raise interest rates to compensate.<sup>20</sup> Such a move would seem unlikely.

A 2007 study found that no single nation holds enough U.S. debt to cause a major disruption, and taking such action would undermine the value of their own holdings, causing them to suffer huge losses.<sup>21</sup> Still, that prognosis depends on the assumption that nations will always act rationally, and the current subprime crisis demonstrates the folly of such an assumption.

Linked to both China and the real estate bubble is the role of foreign oil. In mid-2007, the price of oil was sixty-five dollars per barrel. One year later it had nearly doubled. Demand for oil by China helped raise the price, but American consumption of foreign oil played its own part. The housing crisis led to a drop in the dollar, creating another surge in oil, food, and commodity prices. The resulting high oil prices joined the subprime crisis in putting downward pressure on the dollar.

To put this problem in perspective, every penny increase in the price of a gallon of gas costs over one billion dollars in extra annual spending. The jump from three dollars per gallon to four dollars per gallon caused the nation's gas bill to rise more than \$100 billion, rendering the federal government's

2008 stimulus checks nearly impotent. The potential for a free fall of the dollar and collapse of the economy is very real.<sup>22</sup>

Indirectly linked to the subprime crisis, but directly connected to its potential consequences, is the state of America's national debt. Before the Wall Street bailout package passed by Congress, the most obvious source of rising debt for the United States was from money spent to fight the war in Iraq, which over the past five years is rapidly nearing \$600 billion. That may be dwarfed by the \$700 billion bailout package and \$250 billion government purchase of bank shares. The federal deficit for fiscal year 2008 is estimated at a record \$455 billion, more than twice the amount of the 2007 budget deficit. Some analysts believe that fiscal year 2009 could see a deficit in excess of \$700 billion.

Far more imposing on the future is the entitlement debt incurred by the United States. As the baby boom generation begins to move into retirement, we may see the Social Security and Medicare systems overloaded. Between 2000 and 2030, the sixty-five-year-old population will more than double in this country. The number of retirees will go from thirty-five million to seventy-two million—20 percent of the total population. The cost of Social Security, Medicare, and Medicaid will rise from \$1.1 trillion and 40 percent of the federal budget today to more than \$2 trillion and 75 percent of the federal budget in 2030.<sup>23</sup> Medicare Part A benefit payments should exceed revenue this year, and assets will not be sufficient to pay full benefits as early as 2019. Social Security payments will exceed revenue in 2017, and assets will not be sufficient to pay full benefits by 2041.

Total national debt—the interest on which constitutes an increasingly large percentage of the annual federal budget—now exceeds \$9 trillion.<sup>24</sup> Perhaps most shocking, the true national debt—defined as all debt held in the United States, public and private—is \$53 trillion. Common sense tells us that such a debt is unsustainable.

## CONSEQUENCES OF THE FINANCIAL CRISIS

Although it is important not to exaggerate the consequences of the current financial crisis, it is critical that we understand where it could take us. The obvious consequences lie in the economic arena, should the crisis continue and worsen. If people suspect that they will lose their money, we could see a run on the banks. Banks keep only a fraction of deposited money on hand, and such a run would be devastating. The crisis that led to the Great Depression started before 1929 in the housing market.

Less apocalyptically, the country faces a real threat of recession. Demand for home construction will fall, which will affect employment and the economy. State and local public finances depend on property taxes, and the housing crash could negatively affect government finances. A falling dollar and renewed surge in oil and food prices will put pressure on the family budget, and a decline in home owners' net worth will make money for college that much more difficult to come by. Some households will see their nest eggs disappear, while others will no longer have access to credit.<sup>25</sup>

Internationally, we are already seeing the effects of the subprime crisis. Iceland has essentially gone bankrupt, forced to accept help from Russia and to once again consider possible membership in the European Union (EU), further expanding that body. The vigorous actions of national governments also raise the specter of moral hazard—bailing out risk takers with taxpayer money. This may be an understandable development since the crisis itself has its genesis in the lack of moral virtue—when working hard is seen as less important than shrewd investing, and irresponsible bankers and political leaders violate their trust.

The most profound and potentially far-reaching consequences may be political. Historically, economic crises have never been kind to the incumbent party in a presidential election year. Severe recession in the late 1830s called into question the stewardship of the economy by Jacksonian Democrats, allowing the Whig party to win control of both Congress and the White House for the only time in its history. The worst depression

of the 1800s started in 1893 just as Grover Cleveland began his second term. Four bitter years later he surrendered the office to Republican William McKinley, who began a thirty-six-year dominance of national politics by the GOP. By 1932, however, Republican management of the economy had been discredited with the onset of the Great Depression, allowing Franklin Roosevelt to redefine American politics for the next few decades. Only the stagflation and foreign policy weakness of the Carter administration ended the New Deal era, paving the way for Ronald Reagan and modern conservatism.

This historical overview is important because the current financial crisis is being spoken of in terms comparing it to the Great Depression. It remains to be seen how bad things will get, but there is no question that the crisis has helped make Democratic presidential candidate Barack Obama the presumptive favorite for the 2008 election, with a strong likelihood of bringing substantially stronger Democratic majorities into both houses of Congress come January 2009, perhaps even a filibuster-proof majority in the Senate. If a strong election victory by Obama is interpreted as more than simply a desire to change management—if, instead, it is interpreted as a desire for a new public philosophy—then it is possible to argue that conservative free-market economic policies have been repudiated and the Reagan era has come to an end.<sup>26</sup>

What would that mean? Some scholars are already calling for action “on the scale of the New Deal—era reformers.”<sup>27</sup> Such action would mean a shift away from free trade and entrepreneurialism in favor of protectionism and class warfare. A renewed emphasis on the redistribution of wealth would be joined to a preference for large, new federal programs, starting with a comprehensive health-care program. The response to the financial crisis will involve more government bailouts at all levels and further efforts to stimulate the economy. The promised tax cuts and programs for clean energy and jobs and infrastructure spending will create a deficit and debt problem seemingly impossible to address.<sup>28</sup>

And, of course, these domestic and economic issues will be

linked to liberal policies in national security and foreign policy, as well as social issues. A Democratic administration will likely be much more sympathetic to European sensibilities and will work diligently to coordinate actions and policies with the EU. It will be, in short, the return of big government.

The future is not yet set in stone, but history demonstrates that voters are remarkably unforgiving toward the party they hold responsible for economic disaster. The facts are much more complicated, of course, but facts are less relevant to voters who are angry.

## Chapter 4

# A FIGHT FOR WORLD CONTROL



**I**RAN IS RACING TOWARD NUCLEAR WEAPONS AND PROMISES to wipe Israel off the map. President Ahmadinejad has made it clear that he also intends to attack America. One of the ultimate weapons of war is oil. America is facing an oil crisis that affects every person in our nation and threatens our national security.

The recent Iranian missile test presented yet another round of intense speculation that war might erupt between Iran, Israel, and the United States. Let's get our facts straight. Iran has been in conflict with Israel and America since 1979 as it came to power under the present theocratic dictatorship.

The crisis facing America and Israel is the reality of weapons that are now available to Iran for use against both countries. Radical Islamic Iranians refer to America as “the Great Satan,” and Israel as the “little Satan,” and are no longer content with simple truck bombs and suicide bombers wearing vests laden with explosives.

With the help of Russia, China, and North Korea, Iran has produced an array of antiship missiles, mines, and speedboats capable of sinking vessels in the Strait of Hormuz.<sup>1</sup> Now they are trying to put together monster weapons—nuclear missiles and bombs.

## THE THREAT OF IRAN

In a matter of months, Iran is going to be in position to execute the threats of President Ahmadinejad to “wipe Israel off the map.”<sup>2</sup> In a television interview in June 2008, Ahmadinejad said, “Today, the time for the fall of the satanic power of the United States has come and the countdown to the annihilation of the emperor of power and wealth has started.”<sup>3</sup> President Ahmadinejad has made his intentions very clear.

America, it's time for us to wake up! Many Americans look at our Star Wars military defense system and assume a false sense of security. Let me remind you that on 9/11 more than three thousand Americans were murdered in cold blood in the twin towers of the World Trade Center in New York City, the Pentagon, and a field in Pennsylvania. How were they murdered? Not by nations with guided missiles... not by high-tech weaponry... not by divisions of an invading army... but by eighteen radical Islamic fanatics with box cutters who used our hijacked airliners as missiles of death to kill our own people. That was not sophisticated. It was caveman technology, but it proved to be very successful.

September 11 proved that radical Islam has the will to kill Americans, and they have the will to conquer us. They just lack the power. But Iran is racing toward the development of nuclear weapons. They're working day and night. They're ignoring every form of diplomacy. They are ignoring the mandates of the Atomic Energy Commission.

When they have that nuclear weapon, radical Islam will have the power—and will use it to attack *you* and *your family*. We face a real danger. We, the United States of America, have an enemy that intends to destroy us. We need to come out of political correctness and come to the world of reality. Americans will slip from stage seven to eight, “dependence back into bondage,” if we allow nuclear weapons to get in the hands of our enemies.

President Ahmadinejad believes that if he starts World War III, the Islamic messiah will suddenly and mysteriously appear. Understand that he doesn't know *who* this messiah is or *where* he is, but he believes the moment that Iran starts this

“holy war,” which will engulf the entire world, his messiah will appear. He will lead the “holy warriors” of radical Islam to a global *Sharia*, meaning that every nation on the face of the earth will be under Islamic law. Ahmadinejad believes that he has the power and the duty to bring this about.

Remember, history teaches us that those who fail to remember the mistakes of the past are doomed to repeat them in the future. One of the most tragic events of recent history was Hitler's Holocaust against the Jewish people during World War II. There are a number of lessons that we can learn from the Holocaust, but one of the most important is this: when a maniac threatens to kill you, take him at his maniacal word.

When Hitler began his threats to kill the Jewish people, few took him seriously. That was a tragic mistake. Ahmadinejad is the *new Hitler of the Middle East*. He wants a nuclear holocaust. He wants “the Great Satan,” which is America, to fall and be in submission to Islam, and he wants to utterly destroy Israel.

Several years ago, former prime minister of Israel Benjamin Netanyahu sat in my office and told me that when he was in office, he gave photographic proof to America's intelligence community that Russia was helping Iran develop missiles capable of hitting Jerusalem, London, and New York. Our intelligence agencies did not believe his information until he gave them pictorial proof that it was happening.

That was years ago. Now on national television, you see Iran shooting missiles to demonstrate to the world that they have the technology.

When Iran obtains nuclear ability—and they will unless they are stopped by a preemptive military strike—they will be able to put nuclear warheads on those missiles. Can you imagine the global chaos that would be created if New York, London, and Jerusalem were all hit with nuclear missiles at the same time?

There are many Americans who do not believe that Iran can launch a nuclear weapon that will land in America. They are absolutely wrong! In recent testimony before the House Armed Services Committee (HASC), Dr. William Graham, chairman of

the Commission to Assess the Threat to the United States from Electromagnetic Pulse (EMP) Attack, a blue-ribbon panel established by Congress in 2001, warned that the U.S. intelligence community “doesn’t have a story” to explain the recent Iranian nuclear tests. In his testimony, he stated:

The only plausible explanation we can find is that the Iranians are figuring out how to launch a missile from a ship and get it up to altitude and then detonate it. And that’s exactly what you would do if you had a nuclear weapon on a Scud or a Shahab-3 or other missile, and you wanted to explode it over the United States.<sup>4</sup>

By launching a nuclear missile off a ship, Iran could make good on their pledge to bring about “a world without America.” They don’t need to have the ability to launch the missile across the ocean. But they can bring a ship within a hundred miles of America’s coastline and launch their missiles from there.

In *Jerusalem Countdown*, I wrote about the EMP, an electromagnetic pulse device that could totally stop all forms of electricity.<sup>5</sup> During his testimony before the HASC, Dr. Graham warned that Iran has the ability to execute such an attack on America, which would wipe out all electrical capability in America.<sup>6</sup>

Simply stated, a missile carrying enriched plutonium would explode in the atmosphere over the United States of America. Within a matter of seconds, all electrical power would be disabled. Radio and television stations would go off the air. Telephones would not work. Cars, trucks, tractors—all motor vehicles—would not start. The refrigerators and freezers in your home would fail to function, and all your food would spoil. The Internet—today’s techno-communications superstar, would be inaccessible.

Think about this: The president of the United States would not be able to communicate with military leaders around the world. All communication of any kind would grind to a halt! We would be back in the days of the pony express! Iran has the power to do this. It’s not as difficult as you may think.

## FOUR CRITICAL STEPS TO STOP IRAN

America is in a war for its survival. Many Americans do not want to admit it, but that is the truth. Executing an extensive preemptive military strike against Iran will most certainly lead to a world conflict. Once the nuclear genie gets out of the bottle in the Middle East, there will be no stopping World War III. There are four ways the American people can stop what is happening in the Middle East without firing a shot.

### **1. Americans can divest their stocks from private and public pension portfolios that are attached to Iran.**

Every state in the United States has pension funds filled with assets worth billions of dollars. Many Americans have invested a portion of their wages into pension funds that in turn invest in overseas stocks and private equity stocks. In a Reuters report dated January 16, 2008, we can see that the United States has invested more than \$3.6 billion dollars in Iran’s petrochemical, gas, and oil industries.<sup>7</sup>

If you—and every other American—would remove stocks and investments from Iran-owned industries and ask your governor and state legislators to divest public funds from Iran, the billions of U.S. dollars that they’re currently using to make weapons would be removed from their economy.

The state of Florida was one of the first states to pass divestment legislation. The state of Texas has already begun to divest. Several bills have recently been put before Congress that would restrict U.S. cooperation with states and companies doing business with Iran. Legislative proposals have also been put forth that would order pension funds to divest from firms with commercial links to Iran.<sup>8</sup> But with the onset of our most recent economic crisis, there is some indication that the push for divestment may be changing. A recent report by Craig Karmin, a reporter for the “Money and Investing” section of the *Wall Street Journal*, states:

Recently, with markets pummeling most pension funds, this hard-line stance is coming under greater scrutiny. Lawmakers are opting for less-stringent bills, offering

fund managers more flexibility or simply rejecting new divestment measures.<sup>9</sup>

Americans must continue to see the critical need to demand that America stop financing Iran's nuclear power advancements.

Why are OPEC leaders holding emergency meetings regarding the price of oil? Because their income is presently falling like a rock.

Iran is experiencing a rapid decrease in income with the current economic global meltdown. Our enemies don't want us to find alternative energy sources. They don't want us to conserve energy, and they certainly don't want us drilling for oil. They want to hold us hostage to their oil so we can finance their nuclear productions and maniacal dreams of a nuclear holocaust for Israel.

If the mere mention of conservation, alternative fuel sources, and added drilling causes OPEC leaders to suddenly assemble, what would happen if we divested our dollars, drilled for oil on our own soil, developed alternative fuel sources, and conserved our energy?

We could stop the flow of seventy billion dollars per year to countries that seek our destruction.

The energy crisis is the "Achilles' heel" of America's security. We *must* solve this energy crisis, and solve it *now!*

## 2. Drill here; drill now. Drill, baby, drill!

The second step we can take is to call our U.S. senator or congressman and tell them to start drilling for oil right now in the United States of America. Drill in Anwar. Drill offshore. Drill in Colorado. Drill in Wyoming. Drill in Utah. Drill in your bathtub if there is a chance you might strike oil.

America must end its addiction to foreign oil. We need to develop wind power, nuclear power, bio power, solar power, coal power, and every alternative fuel source imaginable. Every person in America needs to get that message in his or her mind. We should make our position against foreign oil dependence clear by voting against every person in Congress who is preventing alternative fuel development from happening.

We are a democracy—and government officials are elected

to work for the people. We can vote them in, and we can vote them out.

I would suggest that you take a look at the voting records of your state and government officials, and if they have voted against any form of drilling... vote them out of office. You can do that to help save America. Breaking our addiction to foreign oil is a matter of national security.

## 3. Develop effective antimissile defenses.

Russia vigorously objects to the NATO antimissile system. But with their recent invasion of Georgia, they have demonstrated their intention to lead a military armada that will attempt to make Russia a superpower once again. And believe me, Russia is in Georgia because they want their oil. They want to control that seaport.

Russia has been in bed with Iran and China since 1990, and I believe they have demonstrated that they care nothing about America's future. Israel has developed an antimissile defense system, and so should America.

## 4. Help the Iranian people liberate themselves from the country's theocratic dictators.

I know of Iranians—who call themselves *Persians*—who visit Iran annually to be with their family members. They report that 70 percent of Iranians want to be liberated from the religious fanatics who are controlling their country. Think about that. At least 70 percent want to be liberated, but they are being controlled by the radical 30 percent who have the guns.

America needs to develop and deploy an intensive and comprehensive effort to assist the Iranian people in liberating themselves. We can provide information technologies. We can send assistance to students in universities, assistance to teachers, and assistance to trade unions. In addition to these strategies, I believe that covert operations should be in play to help the Iranians liberate themselves from theocratic dictatorship.

These measures could bring dramatic results that would be far better than Iranian nuclear missiles that hit New York, Washington DC, San Francisco, Los Angeles, or any American city. I

assure you that any city within one hundred miles of the coast of America is an open target for a missile launched at sea by Iran.

### OIL—THE WEAPON OF WAR

We are now experiencing an economic war against America through oil. America has not built a refinery since 1976. We have been financially raped by OPEC while Congress is looking the other way. Every time you stop for gas, you experience the pain at the pump. We have enough oil offshore and in America to give us deliverance from OPEC control, yet our Congress is allowing Saudi Arabia to control our economy, our national security, and your personal financial security by bowing to OPEC's demand that we stop drilling for oil here in America.

Gas rose to more than four dollars a gallon in some states. I can remember when I bought gasoline for fifteen cents a gallon. What do you think will happen when Iran decides to stop a ship in the Strait of Hormuz, and the price of gasoline doubles to eight dollars per gallon—if you can get it at all?<sup>10</sup>

Several years ago on one of my television broadcasts, I said that gas would cost three dollars a gallon. People wrote me from all over the country saying, “That’s impossible. . . . It will never happen.” Now we pray for three dollars a gallon of gas!

It is a fact that the OPEC oil barons of the Middle East control America’s economy and your financial security. The only way to get out of their control is by accessing the resources that America has—and using them.

With gasoline at four dollars per gallon, the average family in America will spend four thousand dollars more per year for gas. A Zogby Poll posted June 20, 2008, has shown that 74 percent of Americans favor increased offshore drilling for oil in America.<sup>11</sup> In spite of that, a majority of the Congress has resisted every effort to drill for more oil.

The issue of offshore drilling has been a heated discussion in our current political election-year climate. Recently, after months spent vowing to protect the nation’s coastlines from new offshore oil drilling, Congress caved to the White House

over the thorny issue, saying they will allow a twenty-six-year-old ban on new exploration to expire.<sup>12</sup>

It is my opinion, as well as that of at least 74 percent of Americans, that we need to immediately reduce the OPEC control problem. Because Americans are talking about drilling and the current economic crisis, the price of oil has begun falling and is continuing to go down as I’m writing this book. But don’t forget the “price roller coaster” we have been on! Prices will go down and up again as the OPEC powers yank our puppet strings.

The current oil energy crisis has produced a new crime wave in America. Thieves are now stealing gas and diesel fuel from farms and ranches in rural areas and from gas stations. The other night while I was watching our local news, I saw one of the slickest thefts I’ve seen in a long time. Someone had pulled a huge trailer into a service station. From inside that trailer, thieves pulled up the floor, undid the lids to the gas tanks that were in the ground, put down huge hoses, and sucked out thousands of gallons of gas and diesel, then drove off.

Farmers are being pushed to the financial edge because people are stealing their fuel. One farmer in California made this statement: “It’s an epidemic, gigantic problem. In Kern County alone, we’re getting reports of five to seven diesel thefts from farms a week. It’s happening in other parts of the San Joaquin Valley, too.”<sup>13</sup>

If you enjoy eating, you need to be concerned about the well-being of agriculture in America. But it’s not just happening in the farmlands of America; thieves are stealing grease from restaurants to make biofuel. Policemen are now being put on bicycles in major cities to save fuel, and others are now walking the beat instead of driving in squad cars. Think about this: it is hard to give “hot pursuit” to thieves who are stealing thousands of gallons of diesel fuel at local gas stations when you are pursuing on a bicycle!

Adding more problems to an already critical energy crisis, there has even been talk of gas rationing due to the devastating Hurricanes Gustav and Ike in 2008. Recently, John Hofmeister, former president of Shell Oil Co. and one of the

most influential voices in the oil industry, called for “short-term gasoline rationing by introducing odd-even purchases based on an automobile’s license plate and by limiting the amount of gasoline drivers can purchase.”<sup>14</sup>

### WHAT IS BEHIND THE ENERGY CRISIS?

During the energy crisis of 1973 we had long gas lines. Inflation rose by 20 percent. During the Carter administration, America faced one of its toughest energy crises in 1979 when OPEC instituted a series of oil price increases that sent gasoline prices skyrocketing and led to severe shortages. Why did OPEC create this gas crisis in America? The Islamic OPEC countries hate Israel, and they hate America for helping Israel. When America would not distance itself from Israel, OPEC immediately slowed down the oil production and slowed down the delivery, resulting in skyrocketing gas prices and inflation.

It can happen again! Today, 30 percent of the corn crop is going into biofuel.<sup>15</sup> What’s the result? High food prices. Every corn product is skyrocketing. The prices of beef, chicken, and pork are also going up, because cows, chickens, and pigs eat corn! Using a food source to make a biofuel is not a bright idea.

Arab oil barons control the production of oil and have the power to blackmail the nations of the world to do their bidding. OPEC is trying to destabilize America’s economy through oil. And they’re trying to create hyperinflation. Unless our country starts developing a way to end the addiction to foreign oil, OPEC will be successful in its attempts to completely destroy our economy.

OPEC is also using the billions of dollars we are sending them for oil to brainwash our college and university students to hate America and Israel. In an article posted on FrontPageMagazine.com, Lee Kaplan stated:

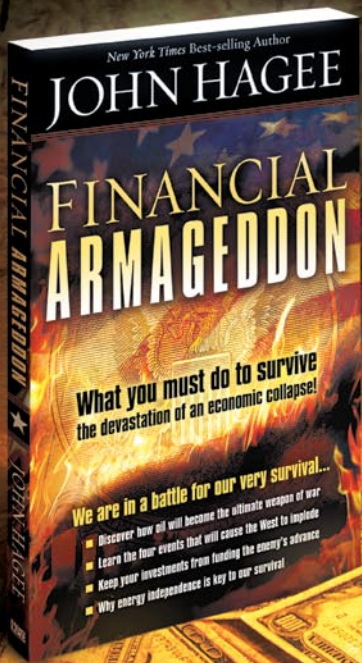
The money the Saudis are pouring into our universities in the form of gifts and endowments is alarming: King Fahd donated \$20 million dollars to set up a Middle East Studies Center at the University of Arkansas; \$5 million

was donated to UC–Berkeley’s Center For Middle East Studies from two Saudi sheiks linked to funding al-Qaeda; \$2.5 million dollars to Harvard; \$8.1 million dollars to Georgetown; \$11 million dollars to Cornell; \$1.5 million dollars to Texas A&M; \$5 million dollars to MIT; \$1 million dollars to Princeton. Rutgers received \$5 million dollars to endow a chair. So did Columbia, which tried to obscure the money’s source. Other recipients of Saudi largesse include UC–Santa Barbara, Johns Hopkins, Rice University, American University, University of Chicago, Syracuse University, USC, UCLA, Duke University and Howard University, among *many* others.<sup>16</sup>

The intellectual poison from these studies has poured into the minds of our university students for years. What is the irony of this? We’re paying the Middle East professors in our universities to poison our sons and daughters with the billions of dollars America spends to fill our gas tanks. Our money is sending radical Islamic teachers to America’s universities to teach our children to hate the United States of America and to hate Israel.

For the first time America is involved in a war where oil is going to determine the victim and the victor!

# WE ARE LIVING IN A TIME OF CRISIS...



PEOPLE EVERYWHERE  
ARE ASKING THEMSELVES  
CRITICAL QUESTIONS:

**What is happening? ...When will it end? ...  
What can I do to safeguard my family?**

But you can be assured that God is not surprised by current issues. In *Financial Armageddon*, Pastor John Hagee, a master teacher on Bible prophecy and an astute and successful businessman, clearly demonstrates why our current economic crisis is happening and what the Bible says will happen next.

Readers will be encouraged to put their trust in God—our ultimate Investment Counselor with the assurance that He will never let them down.

ISBN: 978-1-59979-603-1 / \$10.99

ORDER TODAY! **800-283-8494**

BA9104

**FRONT  
LINE**  
A STRANG COMPANY

Order online by clicking on either link below:

**JOHN HAGEE**  
MINISTRIES

**amazon.com**

# LEARN WHAT IS AT STAKE

In *Jerusalem Countdown*, Pastor John Hagee clearly explains why the region is in such turmoil and what we can do to stand with Israel today.

978-1-59979-089-3 / \$14.99



more than  
1 million sold



*In Defense of Israel* exposes some of the most common myths about the Jews and Israel as Pastor John Hagee explores the themes that have shaped his vision and love for Israel.

978-1-59979-210-1 / \$14.99

VISIT YOUR  
LOCAL BOOKSTORE.

**FRONT  
LINE**  
A STRANG COMPANY



## FREE NEWSLETTERS TO HELP EMPOWER YOUR LIFE

### Why subscribe today?

- DELIVERED DIRECTLY TO YOU.** All you have to do is open your inbox and read.
- EXCLUSIVE CONTENT.** We cover the news overlooked by the mainstream press.
- STAY CURRENT.** Find the latest court rulings, revivals, and cultural trends.
- UPDATE OTHERS.** Easy to forward to friends and family with the click of your mouse.

### CHOOSE THE E-NEWSLETTER THAT INTERESTS YOU MOST:

- Christian news
- Daily devotionals
- Spiritual empowerment
- And much, much more

SIGN UP AT: <http://freenewsletters.charismamag.com>

# Everything prophesied in the Bible is coming to pass!

It is no secret that we are living in a time of global crisis. The financial meltdown of Wall Street, bank failures, the subprime lending crisis, and uncontrollable gasoline prices are creating enormous stress for Americans. And now we are facing a global economic crisis that many are comparing to the events leading up to the Great Depression.

People everywhere are asking themselves critical questions like:

“What is happening?” “Where are we headed?”

“What can I do to protect myself and safeguard my family?”

You can be assured that God is not surprised by these issues—in fact, all of these events are clearly documented in the Bible as signals pointing to the “end of the age” as we know it. In *Financial Armageddon*, Pastor John Hagee, a master teacher on Bible prophecy and an astute and successful businessman, clearly demonstrates...

- Why our current economic crisis is happening
- What will ensure your financial freedom in the face of any crisis
- How world events are lining up with Bible prophecy
- What the Bible says will happen next
- And much, much more!

As you read, remember that God has promised to bless His people. You can rest assured that He is in control. You will be encouraged to put your trust in God—our Master Investment Counselor—with the assurance that He will never let you down.



**JOHN HAGEE** is the founder and senior pastor of Cornerstone Church in San Antonio, Texas. The nondenominational evangelical church now has more than 19,000 active members. Known best nationally for his Bible prophecy teachings, he has authored several fiction and nonfiction best sellers, including *Jerusalem Countdown* (over 1 million copies sold), *In Defense of Israel*, *The Seven Secrets*, and *What Every Man Wants in a Woman*; *What Every Woman Wants in a Man* (with Diana Hagee).

**FRONT  
LINE**

A STRANG COMPANY

REG RELIGION / Christian Life / Social Issues

ISBN: 978-1-59979-603-1



51099

\$10.99