

Redistribution of Wealth, Part 1

Commentary for July 20, 2008 — From God, and Global in Extent

NOTE: In three Commentaries I will discuss one of three aspects of God's actions in redistributing the wealth of the world. At this moment the wealth of the world is being redistributed.

1. **Financial wealth.** The wealth of money is being redistributed through the flow of money to oil exporting nations from industrial nations on a massive scale.
2. **Brain Wealth.** The wealth of God-given genius and innovation is being redistributed.
3. **People Wealth.** The true wealth of any nation is its people. People are moving, emigrating as individuals and families, leaving their home countries. Soon that trend will reverse and people and wealth will go back to their homeland.^a

These three important dynamics in the life of nations and the world are changing within God's plan as we approach the time of Christ's return.

- a. **Footnote:** See my April 2004 Commentary "[Economic and Population Trends](#)" which discusses these issues from 4 years ago.

Redistribution of Financial Wealth

This commentary will focus on the massive transfer of financial wealth from one group of countries in the world to another group of countries. More quickly than anyone (on earth, anyway) would have thought, the wealth of the world is being redistributed to oil producing nations with an increasing amount, degree, and speed. This transfer of money is flowing to oil exporting countries from purchases of their crude oil. This money transfer is not exclusively going to countries in the Middle East. It is flowing to all oil exporting nations.

The bulk of the increased windfall profits from high prices of oil exports does go to countries in the Arab Middle East, such as Saudi Arabia, the United Arab Emirates, Kuwait, Libya, and increasingly to Egypt.¹ Certainly other oil exporting nations like Russia also benefit, but they export only 50% of what they produce. Saudi Arabia exports 80% of the oil they produce and the other Arab oil producing countries have similar percentages.

This redistribution of wealth is not being done according to some socialist or communist fantasy. The redistribution is occurring in the world marketplace because the growing economies of India and China require increased amounts of energy for these rapidly industrializing countries. Add the scare of war and the prices of energy suddenly skyrocket. Indeed, within a 3 month period in 2008 worldwide oil prices increased 40%.

The cost of that energy, primarily crude oil (and its distillates gasoline, diesel, and heating oil) and natural gas, is increasing because of quickly growing demand facing a slowly increasing

1. On May 1, 2008 Egypt opened an underwater natural gas pipeline from El Arish in Sinai to Askelon in Israel. On July 8 Egypt and Libya announced the development of an oil refinery and a natural gas pipeline running from the Egyptian city of Alexandria to the coastal Libyan city of Tobruk. On July 10 Egypt opened the Arab Natural Gas Project pipeline to Syria. See Dr. Martin's presentation, "[The Coming Splendor of Egypt](#)" which gives a preview of the scope of Egypt's rise to greatness.

supply. The result is higher prices. This is a price spike that shall reverse moderately, but oil prices will remain high. It will take time for increased supply to stabilize prices.

The Largest Producers

Saudi Arabia is the world's largest producer of crude oil (11 million barrels/day) and the world's largest exporter of crude oil. It may surprise you to know that Russia, even reduced from the former Soviet Union, is the second largest producer of crude oil (9.9 million barrels/day). The United States is third in production (8.3 million barrels/day). The next largest is Iran which produces half what the United States produces, and so on for the rest of the countries of the world. The problem is that large industrial nations such as the U.S., and industrial regions like the European Union and Japan consume much more oil than they produce.²

Unfortunately the United States, although it produces 8 million barrels of oil per day, it consumes 20 million barrels per day, producing only 40% of what it consumes.

The European Union has an even greater variance between production and consumption. The EU produces only 2.8 million barrels per day and consumes 14.5 million barrels per day. Their production is only 19% of consumption. That means that >80% of their energy is imported. That is a tremendously large outflow of cash to finance their oil usage to continue their industrial production of goods and services for their own use and for export to the world. This disparity of production/consumption in Europe is one reason why gas prices in the United States are approximately ½ of the gas prices in Europe.

The industrial giants of the United States, the European Union, and Japan are importers of energy to varying degrees. Japan imports 97% of their crude oil. These countries produce industrial goods which will flow to the energy producing countries, paid for by the money that bought the energy.

To add to the equation that the two largest nations of the world are industrializing (China and India with their huge populations), while their economies and their middle classes are growing and desiring (demanding!) the basics of a middle-class life, such as adequate food, clothing, housing, education, sanitation, refrigerators, televisions, computers, automobiles, etc. Because of cheaper wages and productivity of their people, India and China are accumulating excess capital from selling far more of their goods to other nations, particularly to the United States, than other nations sell to India and China. At the present time there is an imbalance.

Winners and Losers

However, those countries with a sudden excess of cash due to high oil prices will have to spend that cash or its value will diminish. It cannot be left to sit. Prosperity is enhanced by the increase in the turnover of money. An increase in economic activity through spending of money (wisely for investment and productive purposes) increases prosperity.

In the future the United States will remain prosperous as will the European Union and Japan. This is necessary for the increasing future prosperity of the world to continue. The "new" money flowing to the Middle East must be spent to purchase goods and services that can only be manufactured by the highly developed and advanced manufacturing economies. Contrary to what many may suppose, the United States is still the largest producer of manufactured

2. Some reports and lists say that Russia is the world's largest producer with Saudi Arabia a close second. See the appropriate listing at the CIA World Factbook webpage "[Guide to Rank Order Pages](#)" under oil consumption and production, as well as natural gas production and consumption. I use the CIA figures for convenience. For natural gas production Russia is the largest producer, the U.S. is second, while Saudi Arabia is 13th. All numbers are approximate, from whatever source. On average the figures are probably close to reality. For 2008 specific crude oil production and imports to the U.S. see "[Energy Information Administration - United States Energy Profile](#)."

goods in the world, far larger than any other country. The U.S. produces more industrial goods than the four next-largest manufacturing countries combined. The American economy produces >13 trillion dollars of goods per year.³

Any recession that occurs will affect the rest of the world to a greater extent than the United States, the European Union, and Japan. This does not mean that these countries are immune to economic downturns. It simply means that the duration of the economic downturn will be shorter and less severe than in the rest of the world.

The biggest winners are the Arab Gulf States. They collect 2 billion dollars per day above production costs from oil sales at the increased prices — 730 billion dollars per year that they can spend now. Saudi Arabia alone receives 1 billion dollars per day.

Where Is the Money Going?

Wealth is a gift from God (Ecclesiastes 5:19), and great responsibility comes with great wealth. The Arab oil-producing nations have had over a generation of experience of using (and misusing) their wealth. Their leaders now will use their wealth more responsibly than in the past. They will use that money to buy influence and power, but also to build infrastructure and stabilize economies, and surprisingly, to rebuild Babylon.⁴ A strong Iraq is a buffer against an increasingly influential Iran. Saudi Arabia in particular will use its “new money” to push its 2002 Middle East peace initiative put forth by Crown Prince Abdullah who is now the King.

Biblically the people of the Arab Gulf States are descended from Ishmael who had 12 sons just like Jacob and died at age 137 (Genesis 25:12–18).⁵ Yes, the oil wealth of the world is going to Ishmael, Isaac’s half brother and uncle of Jacob and Esau. In the eyes of Arabs around the world, it is Ishmael’s time to receive the blessings prophesied to Abraham’s firstborn. This includes possession of the land (Genesis chapters 12 and 13) as being their blessing as well, even though the specific seed blessing comes through Isaac and Jacob (Genesis 21:10–13, Galatians 4:22–25). This is how the Arab Gulf States view the present day situation from a religious point of view. God gave Hagar a description of Ishmael’s life and tribal character:

“And the angel of YHWH said unto her, ‘Behold, you are with child, and shall bear a son, and shall call his name Ishmael; because YHWH has heard your affliction. And

[1] **he will be a wild man** [like a wild donkey, Job 39:5–8];

[2] **his hand will be against every man, and every man’s hand against him** [he’ll have incessant feuds and take revenge]; **and**

[3] **he shall dwell in the presence of all his brethren.”**

• *Genesis 16:11–12*

Indeed Ishmael did and does **“dwell in the presence of all his brethren”** meaning his other relatives who lived nearby. This included other nations as well as Dr. Martin noted:

“In the 1st century Josephus called the people in the territories of Moab and Ammon as being ‘Arabians’ (*Antiquities*, XIII.14.2). And in the time of Origen in the early 3rd century, he said the areas of Moab, Ammon and Idumaea were then Arabic (*On Job*, Book I).”⁶

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3. While the economy of the European Union is \$14 trillion in GDP, somewhat larger than that of the U.S., the EU is not entirely united as a single economic unit. It is not a single “country” but rather a supra-national economic free trade association of independent nations. It is currently comprised of 27 countries, each with varying degrees of economic and political cooperation. See the “economy” section of the CIA [“European Union”](#) database.
 4. See Dr. Martin’s article [“The Rebirth of Babylon”](#) and F.E. Marsh’s article [“Will Babylon be Rebuilt?”](#)
 5. Do not confuse Ishmael with Edom. Esau (who is Edom, the twin brother of Jacob) married a daughter of Ismael’s (Genesis 28:9).
 6. See Chapter 9, [“Neighboring Nations of the Jews in Palestine”](#) from Dr. Martin’s book [The People That History Forgot](#).

The Saudis and others Arab states feel that the oil profits they are receiving now are their birthright through the blessing of God's covenant with Abram given in Genesis chapter 15. (This covenant was made before his name was changed to "Abraham," Genesis 17:5). They feel that Abram's blessing was not exclusive to Ishmael's half-brother Isaac and his son Jacob. Everyone descended from Abram received the blessing:

"And I will establish my covenant between me and you and your seed after you in their generations for an everlasting covenant, to be a God unto you, and to your seed after you. And I will give unto you, and to your seed after you, the land wherein you are a stranger, all the land of Canaan, for an everlasting possession; and I will be their God. ...

This is my covenant, which you shall keep, between me and you and your seed after you; Every man child among you shall be circumcised."

• Genesis 17:7–8, 10

Note God's specific promise to Ishmael, remembering that he was Abram's first born son⁷:

"And as for Ishmael, I have heard you: Behold, I have blessed him, and will make him fruitful, and will multiply him exceedingly; twelve princes shall he beget, and I will make him a great nation. But my covenant will I establish with Isaac, ... "

• Genesis 17:20

If this new influx of cash into the coffers of the Arab oil producing states continues it will change the distribution of the world's cash-available wealth. Over time it will redistribute much of the wealth of the world to the Middle East. The maturity of Arab leaders in the use of money will cause them to spend and use their wealth responsibly. That wealth will be used to forward policies and changes to benefit the Middle East. Eventually it will cause Babylon and Iraq to become a major financial center of the world, if not the greatest (Revelation 18:3–19).

Dr. Martin pointed out over 10 years ago in his article "[The Secret of United States Economic Success](#)" that the prosperity of the U.S. would continue long term. This also applies to the other industrial nations as well, and in fact the entire world.⁸ The world cannot become prosperous if the industrial economies of the United States, European Union, and Japan slow purchases of raw materials (including crude oil), and slow production of industrial goods and slow exporting food that feeds a surprising percentage of the world's population.

The dynamic of this redistribution of the world's wealth will impact everyone for good in the long run, although it will be traumatic for some. That wealth will help to quickly develop backward areas in the Middle East to improved sanitation, food, housing, and other basics of life that many of us take for granted. The stage is continuing to be set for the final acts of God's plan for this world just before the return of Jesus Christ back to this earth.

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7. Abraham sent the twelve children of Ishmael into the areas south and east of Palestine, and his six sons of Keturah into the east country to settle and colonize those areas (Genesis 25:1–18).

"For this Agar [Hagar] is mount Sinai in Arabia, and answers [the same rank as] to Jerusalem which now is, and is in bondage with her children. ... Now we, brethren, as Isaac was, are the children of promise."

Galatians 4:25, 28

8. As I mentioned in my article "[The Power of the United States](#)," the geographic advantages of the United States compared to other nations in the world make that economic success easier to achieve than if the United States had geographic disadvantages of places such as Hong Kong and Japan. Those regions have few natural resources except their highly productive people.