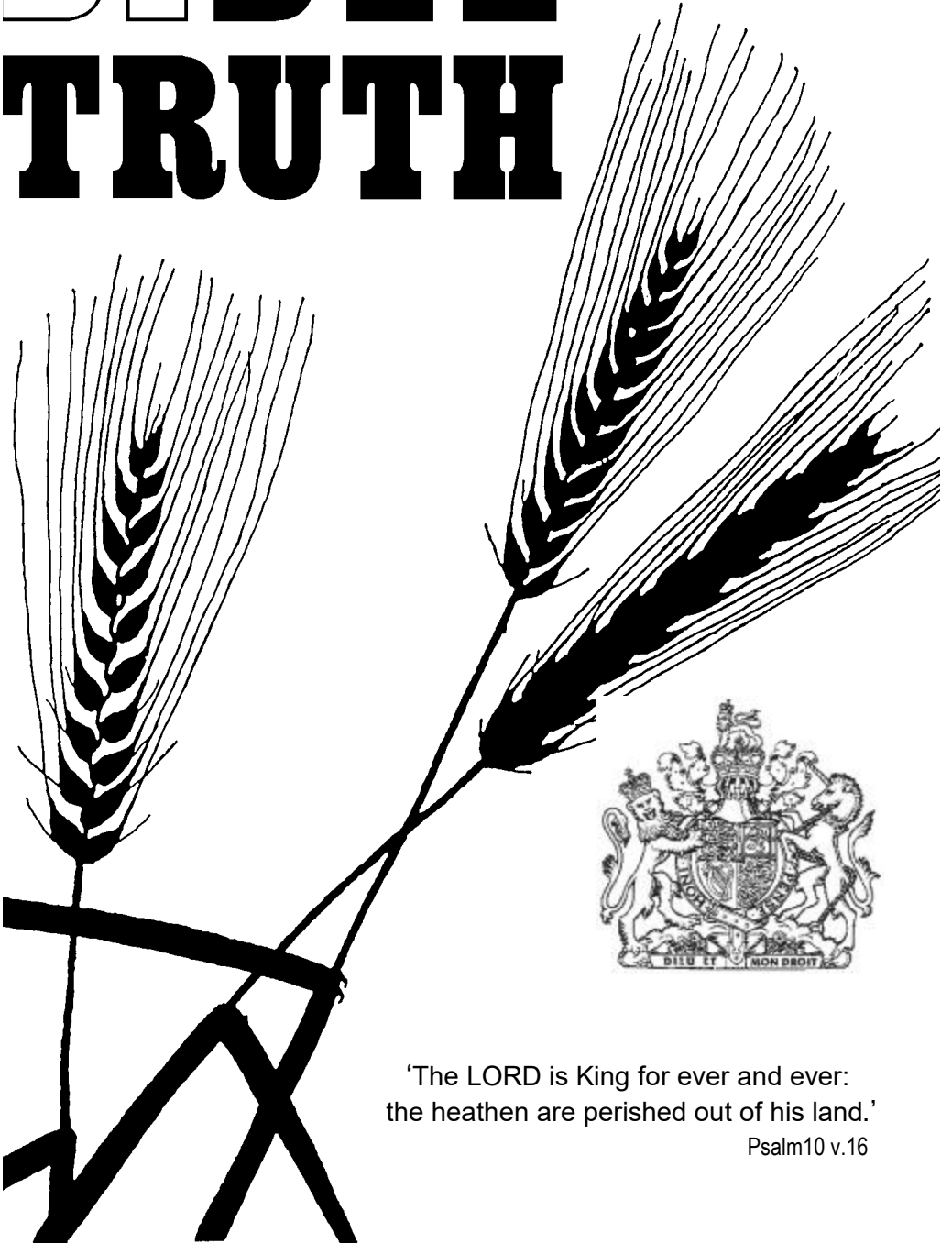


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'The LORD is King for ever and ever:
the heathen are perished out of his land.'

Psalm10 v.16

THE ANCIENT EVIL OF USURY

by David Hay

Final part in series on 'Tinker Bell Finance & Alice in Wonderland Banking'

Of course the concept of usury is not new. Interest probably originated in Babylonia where debt and excessive interest rates were burdensome. The usual rate was 20% although higher charges were common [7]. Pagan temples served as banks and the priests as bankers. Ancient usury occurred in the form of granting loans on the condition that the borrower repay more than was loaned. Loans were made only on personal security or the security of one's family or property. Usury amplified the likelihood that repayment could not be completed and upon default the nature of the contract meant that either the borrower and/or his family entered into slavery to the usurer, or that all his property was confiscated by the usurer.

The system served to increase the abundance of those with abundance and the want of those in want [8] . Not much has changed! The same principles are extant at the very core of our present financial order. Banks are in a position to create usurious loans because they have gained the statutory right, defended by the might of our legal system, to do so. The borrower uses the funds to make his gains through his own productive efforts or through trade. Yet he finds that usury eats away his gain and he experiences himself working and sweating to make the output of his efforts sufficient to sustain himself and his household, encumbered as he is with usury. The usurer, on the other hand, does not sweat nor toil. The bank simply makes a loan - and that out of nothing, by the stroke of a pen, at interest, as a book or computer data entry. Banks make vast gains but they engage in no productive effort. In this sense they make no contribution to the accumulated true wealth of the community, and are therefore parasitic on society.

In ancient times usurer overlords became wealthy by the toil of others and masters of many slaves by means of foreclosure. Time and again such slavery became so massive and class polarisation so great that revolution resulted. Today, slavery at the hands of the usurer banks is just as massive although a great deal more subtle. There is the illusion of freedom in that the people have freedom of movement, association, supposed freedom of speech and expression but in reality the slavery is bondage to our fiscal obligations.

To repay more than is loaned imposes immediate hardship and as more and more debtors enter into competition with one another - not to produce the best quality or the most appropriate products or services at the most reasonable prices, but to corner enough resources to meet debt plus usury - the prospect of repayment steadily diminishes. Indeed, it is the incessant pressure of commercialism which is largely behind the reckless squandering of the finite resources of our world at the present time. Banks sit on the sideline of this battle issuing further loans and adding to the interest burden, continuing to perpetuate the problem.

To further make clear the conundrum in which we are immersed the difficulty can be reduced to its simplest proportions. I am the first banker. You are the first borrower. You want \$100 to buy materials to establish an horticultural enterprise. I loan you the 'money' but part of the agreement is that I require 10% interest. At the end of the year, you are required to repay \$110. Where does the extra \$10 come from? The uncomfortable fact is that it is not there! The only way that the extra \$10 can be brought into existence is by my issuing a further loan to another borrower, say \$1000 - with the interest tag, of course. Being an astute businessman you sell some of your produce to the second borrower for \$110 and repay me - the extra \$10 representing an unnecessary charge against the production costs of the goods.

The problem now, is that not only does the second borrower have to find the extra to cover his own interest charges (\$100), he is also a further \$10 short because you have charged him your interest rate in order to repay your total debt to me. And so I make another loan and so on. Multiply this analogy by millions of times and there is the crux of modern financing. In order to repay a loan, another loan has to be made to cover the interest on the original loan and destructive competition between debtors is the immediate consequence.

The whole system is kept afloat simply by the 'velocity of money' circulating from the large pool of funds available in the community from the previously created loans. The truth is, that we have reached the ultimate state of financial insanity where the world owes its bankers more money than the world possesses, by the factor of the interest rates on the loans which it sustains. If, suddenly, the world was required to repay all the money it owes, there would not be enough! It is completely bizarre that we are in this situation.

We have been high-jacked by an ancient and evil system. We have been seduced by the comforting and plausible economic argument that our existing financial system is fine and healthy, only requiring more efficiency, more work, more productivity, more diversification, more trade to bring us to recovery. In the present system, however, these are but the barbed whips to induce even more valiant - and futile - efforts to appease the bottomless barrel of bankers debt. It seems that we are bound to repeat the past lessons of history. Usury eventually and always destroys a nation's economy [8].

In ancient times economies were not buffered with 'money' that privileged men could create out of nothing. Once the commodities that were used in exchange were absorbed by usurers no recourse was left to the debtors but to choose slavery or revolution. Probably the best example of this effect in operation in recent times is the French Revolution. The modern face of usury is both its abstract nature (the loan principal being that which the banker created by the stroke of a pen) together with the vast web of petty usury into which the public has plunged [8] - investments, superannuations, share market manipulations, currency speculation and the like - and this is the main reason both for public defence of the system and for promulgating its continuance with the persuasive argument of self interest and personal gain.

All these devices basically have one purpose, to return to the individual who has made the 'investment' more than the original and thereby, with no actual direct contribution to the process of true wealth creation by the investor, to enable him or her to gain at the expense of the work effort of others. The truth is that our economic system keeps running only because, like collective Tinker Bells, we continue to believe in it. Once its parameters of deception are more widely understood the despotic power of this international Queen of Hearts could easily collapse like Alice in Wonderland's pack of cards.

THE ALTERNATIVE

Just as our present economic system originated at the time of Babylon the principles of a fair, just and self-regulating economy were also laid down about 3500 years ago. In the ancient world there was one society which stood out in dramatic contrast to the system of Babylonian commerce. It held ideals which condemned usury and which required not only free loans but required debt release. It insisted on a system of stable weights and measures. It encouraged

the creation of true wealth but not at the expense of enslavement of the people. It was an economy which cared and catered for the members of that community and did not permit their ruthless sacrifice on the altar of penury and debt. It required more than man to introduce such a system and it was based on theocratic principles.

The Law of God, codified by Moses and accepted by the Nation Israel at Sinai was a total 'economic package' and enshrined a system for commerce, trade and finance. It was very simple and called for.

1. A Unit of Exchange of Fixed and Standard Value.

'Thou shalt not have in thy bag divers weights, a great and a small. Thou shalt not have in thine house divers measures, a great and a small. But thou shalt have a perfect and just weight, a perfect and just measure shalt thou have: that thy days may be lengthened in the land which the LORD thy God giveth thee.'

Deuteronomy ch.25 vv 13-15

2. No Usury.

'If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury.'

Exodus ch.22 v.25

'And if thy brother be waxen poor, and fallen in decay with thee; then thou shalt relieve him: yea, though he be a stranger, or a sojourner; that he may live with thee. Take thou no usury of him, or increase: but fear thy God; that thy brother may live with thee. Thou shalt not give him thy money upon usury, nor lend him thy victuals for increase.'

Leviticus ch.25 vv 35-37

'Unto a stranger thou mayest lend upon usury; but unto thy brother thou shalt not lend upon usury: that the LORD thy God may bless thee in all that thou settest thine hand to in the land whither thou goest to possess it.'

Deuteronomy ch.23 v.20

3. Debt Release.

'At the end of every seven years thou shalt make a release. And this is the manner of the release: Every creditor that lendeth ought unto his neighbour shall release it; he shall not exact it of his neighbour, or of his brother; because it is called the LORD'S release.'

Deuteronomy ch.15 vv 1-2

By modern standards of economic practice these commandments are incomprehensible madness but there is a devastating simplicity behind them. If applied correctly and operated in the correct spirit, that is, in the ethic enunciated by Jesus Christ (see Matthew ch.10 v.42, ch.19 vv 21-22 and Luke ch.6 vv 30-38) - the spirit of concern for the welfare of one's fellow man - then enslavement by debt is impossible, currency speculation is impossible and money is relegated to its proper position as a stable transactory medium for goods and services. Profiteering by money manipulation therefore cannot take place, while the creation and distribution of true wealth becomes the prime objective of the community unshackled from financial constraints.

This 'economic package' went further. It was pointed out that the citizens did not have the right to buy and sell their country real estate. The Lord gave His people an inheritance in the land which was theirs by right of birth and declared,

'The land shall not be sold for ever: for the land is mine; for ye are strangers and sojourners with me'.

Leviticus ch.25 v.23

The people could work their inheritance or could lease it but in the year of Jubilee, the year following seven sabbatical cycles of debt release (49 years) the 50th year, every man was to return to his own possession which he inherited by right of birth, and it was restored to him. The land could not be subdivided and sold permanently as 'investments'. At any stage the land was able to be redeemed from the contract of a lease by payment to the lessee, the value of the use of the property up until the time of the next Jubilee or until the agreed date of expiry of the lease. If the owner was unable to do this a kinsman could redeem the land on his behalf by the appropriate payment to the lessee but the inheritance still reverted to the original owner, unencumbered, as a matter of law at the Jubilee.

Here, in reality, is the analogy of the kinsman redeemer - the very work of Jesus Christ. Therefore, regardless of a man's personal commitments or condition he and his family could never be dispossessed permanently. The lease value was the productiveness of the land, so nothing could be gained by holding land for profit since there was no profit except one laboured and brought forth an increase. For this reason the land was not to attract taxes in the form of rates.

Laws for transfer and purchase of land within the city boundaries were quite different. Once sold, this land could be redeemed for up to one year only, after which it became the permanent possession of the new purchaser.

The 'economic package' went even further by limiting the amount of taxation any individual in the community was obliged to pay.

- First, taxes bore a definitive relationship to income.
- Second, taxes were levied against surplus income only, leaving all property free and thus not subject to the risk of confiscation.
- Third, government was forced to live within its income as a matter of sound business policy and did not have the right to alter the tax principal or to levy arbitrary fees.

The system of taxation was based on the tithe which means one tenth. It was the responsibility of all who produced an increase by their labour to set aside 10% for this purpose. The law did, however, make provision for an individual to contribute up to 20% of his increase over a period of several years. Above all, the tithe was not compulsory - it was voluntary - but withholding it was tantamount to cheating Him who made the increase possible in the first instance. Today, many churches demand that their adherents pay 10% of their income to that church, this in addition to the vast sums which are compulsorily levied out of personal earnings, by the State. The result is an additional burden. In fact, the tithe was the total tax covering all administration costs, education, health, welfare and the variety of non-earning activities provided by the state sector. The 'church' (priests) received one tenth of the tithe, not the whole lot!

Imagine the difference that the application of these principles would make today. A money system which represented a stable, non-manipulatable means of wealth transfer. Money, freely available at no interest, to develop the economy. A community totally motivated by the principles of the Christian ethic in all aspects of its business, trade and service activities. Repayment of borrowings, freely and conscientiously made as businesses develop during the six year business cycle. Debt release in the seventh year. Taxation, voluntarily made as a matter of social responsibility on personal increase only, the expected amount standing at 10% but with provision for donations of up to 20% in very successful businesses. Six years of business activity followed by one year of rest and recreation in

preparation for another sabbatical business and agricultural cycle commencing in the eighth year. Non-saleable inheritance in the land by right of birth but with leasing rights only, extending for a maximum of forty-nine years. A utopian dream?

The truth is that we have never had a fair, just or equitable financial system but the fundamentals of a sound economy are ours for the taking. They have been established for 3500 years. The present economic disaster in which we are ensnared stands judged and condemned in the eyes of God and together with the political and religious systems of the earthly city of Babylon - the very word means - will be brought to destruction, as described so graphically in Revelation chapter eighteen.

Babylon, in all its aspects, remains in direct contrast and in absolute opposition to the principles of the Kingdom of God. Jesus Christ said that nothing of the Law would pass away until all was accomplished (see Matthew ch.5 vv 17-19) and the principles described above are only a small part of the body of the Divine Law which was promulgated for our benefit, security and welfare. In the economy of God the creation of credit without the multiplication of debt is a masterpiece of Divine legislation. We make Tinker Bell money yield a paltry 10-20% - or rather the borrower yields it. In the parable of the sower, Jesus says this.

'When any one heareth the word of the kingdom, and understandeth it not, then cometh the wicked one, and catcheth away that which was sown in his heart. This is he which received seed by the way side. But he that received the seed into stony places, the same is he that heareth the word, and anon with joy receiveth it; Yet hath he not root in himself, but dureth for a while: for when tribulation or persecution ariseth because of the word, by and by he is offended. He also that received seed among the thorns is he that heareth the word; and the care of this world, and the deceitfulness of riches, choke the word, and he becometh unfruitful. But he that received seed into the good ground is he that heareth the word, and understandeth it; which also beareth fruit, and bringeth forth, some an hundredfold, some sixty, some thirty.'

Matthew ch.13 vv 19-23

God's interest rates are 10,000, 6,000 or 3,000 per cent - if we do as we are told. At present we are certainly not doing what we are told and are captivated by a subtle and largely unacknowledged and unrecognised form of slavery because of it.

It is up to us to come to terms with the nature and origins of our present economic problems and then we shall be in a position to do something about it. We shall also be in a position to expect Divine assistance in the matter. All the prayer and intercession in the world cannot move God to improve our situation while we continue to use and advocate the use of systems which are in direct opposition to His instructions for our national benefit. The calamities of our transgressions are being used to stimulate us to recognition of the true nature of our problems so that we may perceive the need to repent and separate ourselves from 'the earthly city'.

'... Come out of her, my people, that ye be not partakers of her sins, and that ye receive not of her plagues. For her sins have reached unto heaven, and God hath remembered her iniquities.'

Revelation ch.18 vv 4-5

A Christian economy, based on the inviolable economic principles of the Kingdom of God, is built on service. Similarly, the devices, standards and measurements which are to be used in the provision of that service are to be our servants, not our masters.

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