

Jubilee Money

Contributed by Jim Jordal
Thursday, 04 December 2008
Last Updated Thursday, 04 December 2008

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By Jim Jordal

It's interesting how most folk's eyes glaze over when you mention anything to do with economics, finance, or the sources of our money supply. It seems as if the only interest we have in money is how to get more of it. This behavior is especially strange since money controls most national issues directly, and everything else indirectly. For this reason the process of money creation ought to be of at least some interest to most Americans.

One of our problems is that economics is considered by many to be "the dismal science," not worthy of serious consideration by anyone other than egg-headed academicians. Another is that most of us are firmly persuaded that the science of money is incomprehensible to the average person, and is therefore better left to others more informed than we.

Folks, that's fatalistic thinking. The economic collapse now threatening the world is in large part due to the common belief that money, credit, debt, and finance should be left to bankers and financiers free from political restraints on their activities. The shattering outcome of our ignorance and their malfeasance confronts us every day.

The new conservative economic philosophy (labeled neo-liberal in Europe and neo-con in the U.S.) postulates that free markets will effectively solve all problems arising from their operation, and should therefore be free of governmental interference. In the financial sector of the economy this meant that certain Depression-era restrictions on the mixing of commercial and investment banking must be removed in order for banks to freely compete in all financial areas. So the Glass-Steagall Act of 1933 had to go, since it prohibited commercial banks from also operating as securities dealers and investment institutions because of lessons learned during the Great Depression. Following 10-year campaign by large banks to replace Glass-Steagall, it was finally terminated by the Gramm-Leach-Bliley Act of 1999, allowing the Wall Street "party" of almost unregulated banking activities to begin in earnest.

And now the party appears to be over. With the collapse of three of the five biggest Wall Street investment banks and the world-wide contraction of credit markets, billions of people face massive losses in their retirement accounts, even as government attempts to bring the debacle under control appear shaky at best. And the U.S. national debt spirals rapidly upward due to a projected \$1 trillion-dollar deficit for this year alone.

So, what will we learn? Not much, it appears. Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke propose massive bailouts, lower interest rates, and direct infusions of capital into the banking system; but these are only palliatives, not cures.

It was not just the financial system that failed, it was also the entire concept commonly known as the "American Dream." This dream, which began with small houses, single cars, and pay-as-you-go spending, has morphed into uncontrolled consumption, worship of "things" over people, an idolatry of pleasure over sacrificial worship; massive debt, the rape of nature, and the economic subservience and virtual destruction of half of the world's people.

Well-meaning politicians and academicians tell us that only the resumption of our willingness to go into debt via massive use of credit will return us to prosperity. They say that we have only three choices if funds are needed for some worthwhile purpose like universal health care. We can cut expenses in other areas, or raise taxes, or borrow the money, thus adding to the national debt.

But there is a fourth alternative: the issuing of debt-free money directly to the people. It's sort of like the recent tax rebate, but without the debt attached to it. The first knee-jerk response of most people when they hear this is either that it's too good to be true or that it's impossible. But neither of these is true. Abraham Lincoln used the issuance of debt-free "greenbacks" to finance the Civil War. Federal Reserve Chairmen Ben Bernanke got his nickname of "helicopter Ben" for suggesting the same thing—that a depression could be broken almost immediately by creating money to be dropped from helicopters to the people.

So why does the creation of money have to be accompanied by debt? Only because the bankers and money powers tell us so.

Under God's laws of Jubilee (see Lev. 25) money would serve, not enslave, the people. Perhaps that's what God plans to point out to us as we endure the recent financial collapse.