

**GOD'S MASTER TRUST: THE BIBLICAL PRINCIPLES
JESUS CHRIST OF NAZARETH:
THY KINGDOM ON EARTH AS IT IS IN HEAVEN
AND QUR'ANIC MODEL**

By

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TABLE OF CONTENTS

Acknowledgment

III - V

Part I

Introduction

1

A Taking Another Look At Deuteronomy 23: 19,20

10

Part II

Precedence for Using A Muslim Model

25

The Common Basic Ethic

27

From The Past and Present: The Religious/Usury Legacy of
Jacob

32

Ancient Multicultural Economic Roots

43

Briefly: The Early Arab, Jewish, and Christian Banking
Community

46

Economic Lineage of Ishmael

53

Pre - Islamic Arabia

61

Part III

The Macro/Micro History Lesson

73

I

Part IV

The Rise and Fall of Resistance to Usury in the Church 77

Part V

Islamic Banking At The Turn of the Century 85

Part VI

Turn To The Moral Economics of Jesus Christ 93

ACKNOWLEDGMENT

If thou canst believe, all things are possible
to him that believeth. [Mark 9: 23]

I wish to thank Bishop George Scott CEO and President of Restoration Holding, LTD for the opportunity to research Biblically based moral economics. Also for giving me permission to examine the only remaining complete non interest financial system -the financial services offered by Muslims based on the Qu'ran since the Christian Church gave banking over to the rising power of secular commercial interest as the Dark Ages ended and the Renaissance evolved. First, without his vision and urging, the information in this document would not have been discovered by me.

Next, this information could not have been recorded without faith in Mark 9: 23. The author is not a banker, theologian, or preacher - who would be key leaders in any church banking system. He happens to have been retired 1993 becoming a layman/consultant receiving the request from Bishop Scott in 1994. The author has been a music educator for over forty years being a chairperson and professor of music including graduate courses in research and thesis guidance. He has been involved in higher education at Morgan State University covering 25 years.

Consequently, he has had no choice but to rely completely on meditation, prayer, and faith in God's guidance accompanied by the incorporation of traditional research strategies in order to define what God's Master Trust is to be. Spiritual intelligence has been needed to be developed in order to come closer to what God wishes to inspire, have recorded, teach, communicate, and empower spiritually inwardly and outward economically.

The author accepts any criticisms which professionals like bankers, economists, financiers, or clergy might wish to make concerning professional shortcomings. Nevertheless, since truth as seen by human intelligence is never absolute, the author has tried to develop a dependence more and more upon spiritual intelligence resulting from meditation, prayer, Bible study and precedence about economics of the Temple, the church and mosque, Abrahamic historical processes, Islamic banking theory and practices, the life and teachings of Jesus Christ focusing upon the poor including the broadening of the brotherly love base, other historic Christian figures and banks concerned about the poor inspired by the likes of Martin Luther King and Mother Teresa, the Grameen Bank, the Vatican Bank, plus consultations with religious leaders of Christian, Jewish, and Islamic faiths.

Much faith is required when trying to solve any research problem. Faith that a problem can be solved in part at least in a new and different way is the motivation and justification for any

researcher. The motivation of this researcher is faith that God is going to help Bishop Scott bring into reality his vision, the absolute truth of God's Master Trust and Jesus Christ of Nazareth: Thy Kingdom On Earth As It is In Heaven. Such faith is expressed in Proverbs:

Trust in the LORD with all thine heart; and lean not unto thine own understanding [Proverbs 3:5]

The critical need for developing spiritual intelligence today in solving problems must be given more serious consideration than ever before even by the scientific community. This becomes very clear upon reading The End of Science by John Horgan, senior writer for Scientific American. He draws this conclusion after interviewing some of the leading scientists across the spectrum such as: Lynn Margulis, Roger Penrose, Francis Crick, Richard Dawkins, Freeman Dyson, Murray Gell-Mann, Stephen Jay Gould, Stephen Hawking, Thomas Kuhn, Chris Langton, Karl Popper, Steven Weinberg, and E.O. Wilson. His chapter titles list the following "Ends" in specific areas such as "The End of": 1 Progress, 2 Philosophy, 3 Physics, 4 Cosmology, 5 Evolutionary Biology, 6 Social Science, 7 Neuroscience, 8 Chaoplexity, 9 Limitology, Scientific Theology, or The End of Machine Science. He summarizes the first category of limitations as being those imposed outside upon scientific enterprise such as by technophoes, animal-rights activists, religious fundamentalists, and "stingy politicians". He continues, "Social, political, and economic constraints will make it more difficult to practice science, and pure science in particular, in the future." [p. 5] Secondly, the limitations are seen to be inwardly imposed by science itself:

---as it advances, [science] keeps imposing limits on its own power. Einstein's theory of special relativity prohibits the transmission of matter or even information at speeds faster than that of light; quantum mechanics dictates that our knowledge of the microrealm will always be uncertain; chaos theory confirms that even without quantum indeterminacy many phenomena would be impossible to predict; Kurt Godel's incompleteness theorem denies us the possibility of constructing a complete, consistent mathematical description of reality. And evolutionary biology keeps reminding us that we are animals, designed by natural selection not for discovering deep truths of nature, but for breeding. [Horgan, p.6]

The deadends that all of the modern sciences seem to have reached forces us to look beyond science for the truth beyond the natural for Biblically based spiritual truth rather than look to psychics either for answers which more and more seem to be doing - if television advertising is to be believed at all. Christians must accept that:

Through faith we understand that the worlds were framed by the word of God, so that things which are seen were not made of things which do appear. [Hebrews 11: 3]

Actually science has gained new life when it has started to take religion more serious. They have begun to notice that people who go to church seem to have remarkable coping skills when they face serious crises of life and death. A significant 1996 work has been published by the American Psychological Association, Religion and the Clinical Practice of Psychology by Edward P. Shafranske.

With the lack of confidence in advancing truth only through the physical world by our scientists today and rejecting the psychic approach. This work seeks reality, substance, and truth depending solely on the vision of Bishop Scott, and developing a Biblically based spiritual consciousness more than anything else.

The most striking conclusion Horgan makes is in the "End of Neuroscience" chapter, "--human science will not, cannot, solve the how-do-I-know-you're-conscious problem. There may be only one way to solve it: to make all minds one mind." [Horgan, p. 190]

For Christians, the one mind common denominator is realized solely by absorbing a mental attitude which must be basic to our spiritual consciousness, as spelled out in The Great Commandment:

- 37 Jesus said unto him, Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind.
- 38 This is the first and great commandment.
- 39 And the second is like unto it, Thou shalt love thy neighbour as thyself.
- 40 On these two commandments hang all the law and the prophets. [Matthew 22: 37 - 40]

Rev. Dr. Cain Hope Felder explains, "The Great Commandment is one coin with two sides, or put another way the Great Commandment stipulates the vertical and the horizontal coordinates of Christian faith." [Felder, p. 1418 footnote] Consequently, the knowledge generated and created through this work is communicated with the confidence that all Christians, regardless of background and experience, can be of one accord as long as The Great Commandment is the bottom line for God's guidance, thinking and living in the world.

Therefore, I thank Him for all of the days and ideas which have enabled me to record what has emerged at my present stage of spiritual maturity.

I thank my son David while working with Bishop Scott is applying Biblical principles and interpreting the Qu'ranic model reflected in this document. Also, for urging me to "get the job done".

I thank my wife, Jacqueline for years of support and long suffering as well as for her interest while this project has developed and transcended by God's will into reality. Her wait for the project to get off the ground even when the end did seem in sight has been remarkable and critical in more ways than can be properly expressed with love and gratitude.

INTRODUCTION

Bishop George Scott expressed the need for restoring Biblical principles in banking upon which the vision God gave him could be based - establishing a modern first - a Church Banking System to benefit the poor.

The critical impetus is for these discovered biblical principles to be used to undergird the Christian Banking System because the present banking system is corrupt and cannot be used as a substitute or model. The western banking system and its financial services in general profit by charging interest. A true Christian Banking System must look to the earliest Christian Community as a model with the financial practices dictated by the Torah supplemented by the fulfilling teachings and interpretations of Jesus prevailing.

In his book, *Knowing Jesus Through The Old Testament*, Christopher J.W. Wright wrote:

---he [Jesus] was deeply concerned about the economic realities that jubilee[Israelite custom forgiving debts each fiftieth year - see law in Leviticus 25] had tried to remedy, but his answer was not a straight return to that ancient legislation. Jesus did not announce a jubilee and hope it would inaugurate the kingdom of God. Rather, he announced the arrival of the kingdom of God and then used jubiliary imagery to characterize its demands. Jesus's use of jubiliary imagery, like the prophets' takes the themes of release and restoration and applies them both in the economic sense in which they originally functioned, and also with 'value added' spiritual dimensions. Release from bondages of all sorts, and restoration to fulness of life and harmony in relation with God and other human beings were part of the prophetic vision of the age to come and part of Jesus's vision of the inbreaking Kingdom of God. [pp. 228 - 229]

The establishment of Restoration Holdings LTD Christian interest free banking is aimed at freeing Christian church members in particular from the present heavy burden of interest fees from secular banks including credit cards, mortgages, consumer loans in general, start up loans for new business ventures, and the full spectrum of commercial loans, trade, and investment. The no interest Torah way of doing business in the first Christian community needs to be restored, updated, with the "'value added' spiritual dimensions" provided by Jesus the Christ that Christopher Wright refers to above. The major mission will be for this, the first Christian Banking System in church history, to financially empower the poor through the good offices of Christian churches and their congregations representing all faiths world wide.

Ironically and realistically, this means a financial mission to empower the poor by moving money from an unjust, corrupt, unblest system and spiritually laundering it by dedicating corrupt money to God so that God can fully bless it and use it in partnership with RHL.

8 He that by usury and unjust gain increaseth his substance
he shall gather it for him that will pity the poor.
[Proverbs 28:8]

Converting money earned through interest to build up to a cash reserve developed by interest free loans will be an ongoing process for this one of a kind full service western bank.

The Christian Banking System is expected to provide an inheritance for future generations of Christian Church congregations to have which can be the most effective, well funded missions in church history removing the wealth of the wicked and giving it to the righteous poor.

22 A good man leaveth an inheritance to his children's
children: and the wealth of the sinner is laid up for
the just.

This will cause the restoration of crime ridden, drug soaked, dilapidated, jobless communities. They can be as the early Christian community - distributing the wealth of the community fairly, eliminating abject poverty with interest free loans.

It is the hope and prayer of the author that he has interpreted the knowledge revealed as that which God would have be communicated. Consequently, it follows that such knowledge can be a rich source of research and provides a solid foundation for interest free Christian banking in the twenty first century.

Most importantly, it will help church congregations, their pastors, individual church member depositors, and the professionals managing the bank to realize that they must keep humble and value having a nature that is poor in spirit as God allows them to be part of making history. Nelson's Illustrated Bible Dictionary says, "The poor in spirit are those who look to the Lord for justice, mercy, and deliverance, and not to themselves." [1015] Especially, let RHL leaders not forget to have such wisdom.

3 Through wisdom is an house builded; and by understanding
it is established:

4 And by knowledge shall the chambers be filled with all
precious and pleasant riches. [Proverbs 24:3-4]

Maintaining a poverty in spirit in the midst of riches is a major challenge of successful churches and Christian businesses. Subsequently, the need for developing and using such spiritual intelligence is to be discussed.

This document has been written in order to provide a Biblical and Quranic basis for God's Master Trust The Biblical Principles and Model subtitled, Jesus Christ of Nazareth: Thy Kingdom On Earth As It Is In Heaven.

God's Master Trust is to support ministries devoted to helping the poor world wide. These ministries will be ecumenical and devoted to improving the quality of life of the poor internationally. GMT will be drawn from banks holding funds in specific accounts around the globe.

Those managing GMT are to operate by reflecting the observation that there are enough poor, sick, and hungry people in the global village to sponge up all of the needed funds in GMT.

In fact, GMT will be able to help purify the present economic system which is based only upon greed. The banks which will provide the funds for GMT will be guided by the following Contract models prepared by David Faulcon based upon principles found in the Old Testament and New Testament plus the Quaran:

CONTRACT OF HEAVE OFFERING

Numbers 18:19

All the heave offerings of the holy things, which the children of Israel offer into the Lord, have I given thee, and thy sons and thy daughters with thee, by a statute forever; it is a covenant of salt forever before the Lord unto thee and to thy seed with thee.

1. Heave Offering

- A. Neutralizes wicked money mixed in with the legitimate economy.

James 5:3

Your gold and silver is cankered, and the rust of them shall be a witness against you, and shall eat your flesh as it were fire. Ye have heaped treasure together for the last days.

- B. A small amount of wicked money not dedicated to the Lord Jesus Christ begins to mix with the economy and creates diverse effects.

James 5:4

- C. This is the case where wicked money neutralizes honest gain through honest business and creates diverse kinds of corruption, and legitimate money becomes unclean and diverse neutralizing other honest funds.

- D. To yield both a lenient and a strict ruling, heave offering, mixed with honest profit, make for common good.
- E. Enough dedicated wicked wealth, to the purposes of Jesus Christ and Church tithes, will clean the economic system.

Lamentations 3:22

It is the Lord's mercies that we are not consumed, because his compassions fail not.

- F. In a financial institution, if the heave offering is neutralized in an institution of \$200 million by \$101 million, then the ratio should be forbidden. This is a strict ruling.
- G. If the amount of wicked wealth is not abundant, enough to cause the \$101 million majority, then the mixture is permitted. This is a lenient ruling.

Also, the next contract guide comes from the New Testament by the authority of the word of God and His Son, Jesus Christ:

Law by the Word of God - James 1: 1-4

James, a servant of God and of the Lord Jesus Christ, to the twelve tribes which are scattered abroad, greeting
My brethren, count it all joy when ye fall into diverse temptations; knowing this, that the trying of your faith worketh patience. But let patience have her perfect work, that ye may be perfect and entire, wanting nothing.

The Oath

I, _____, under the authority of Jesus Christ and in serving the ministry there of pledge to work in cooperation with _____ to bless the poor, sick, and hungry within various parts of the world and The United States of America.

Law by the Word of God James 1:5-7

If any of you lack wisdom, let him ask of God, that giveth to all men liberally, and upbraideth not; and it shall be given him. But let him ask in faith, nothing wavering. For he that wavereth is like a wave of the sea driven with the wind and tossed. For let not that man think that he shall receive anything of the Lord.

Statement of Godly Guidance

I, _____, under the authority of Jesus Christ will look strictly to God's guidance for the liberal giving of the wealth from the trust. I, also recognize that all of these funds are under his complete control and by faith, I request that the funds be turned into financial use. I will not waver from this path until God in His infinite mercy and wisdom brings this to pass.

Law by the Word of God James 1:8

A double minded man is unstable in all his ways.

Oath of No Lying and No Deceit

I, _____, pledge to not engage in any lying or deceit in any dealings with _____ whether or not the transaction be of a personal or business nature.

The model for the trust will be drawn from the no interest banking system of Islam because there is none in the Christian world. It seems that the Jewish world has zero interest funds for any Jew who is financially in trouble. But it does not extend much beyond being for charity.

Therefore, this lack of a model in the west has required a rather in depth look at the Old Testament and the early stages of Christianity starting with Jesus and his disciples. Also, necessity caused me to discover the linkages between the Judeo-Christian world and Islam revealed in the Bible and the Quran as well. It has become evident that a partnership contract needs to be drawn up between Biblically based Christians and Quranically based Islamics to undergird the spiritual and operational structure of GMT. An example of such a GMT partnership contract could be as follows:

Recitals

Whereas, the Parties wish to form a joint venture to serve the betterment of the poor for and on behalf of the purposes stated in the Holy Quran chapter 2 - Al Baqarah Section 37, verse 273:

Charity is for the poor who are confined in the way of Allah. They cannot go about in the land; the ignorant man thinks them to be rich on account of their abstaining from begging. Thou canst recognize them by their mark they beg not of men importunately. And whatever good thing you spend, surely Allah is knower of it.

Whereas, the Parties possess complementary skills, knowledge, contracts and other resources and sources necessary or desirable for providing the services for the realization of the Purposes;

Whereas, the Parties wish to further facilitate their cooperation in connection with the Purposes by entering into this agreement setting forth the general terms and conditions as brothers through the common lineage of Ibrahim (Abraham) as stated in The Holy Bible Genesis 17:1,2:

And when Abram was ninety years old and nine, the Lord appeared to Abram, and said unto him, I am the Almighty God; walk before me, and be thou perfect.

And I will make my covenant between me and thee, and will multiply thee exceedingly.

Whereas, both parties pledge to the sovereign status and rulership of Almighty God both representing brotherhood faiths being birthed by God's promise to Ibrahim (Abraham). The Holy Bible:

Genesis 12: 4-7:

As for me, behold, my covenant is with thee, and thou shalt be a father of many nations. Neither shall thy name any more be called Abram but thy name shall be Abraham; for a father of many nations have I made thee. And I will make thee exceeding fruitful, and I will make nations of thee, and kings shall come out of thee. And I will establish my covenant between me and thee and thy seed after thee in their generations for an everlasting covenant, to be a God unto thee, and to thy seed after thee.

Whereas, _____ being a follower of Jesus Christ and practicing Christianity will be able to work jointly with all followers of the faith of Islam by honoring the Holy Quran in Chapter 3 - Al Imran section 3 Verses 25 and 44.

Verse 25

Say: O Allah, owner of the Kingdom, thou givest the Kingdom to whom Thou pleasest, and takest away the Kingdom from whom Thou pleasest, and Thou exaltest whom Thou pleasest and abasest whom Thou pleasest. In thine hand is the good. Surely, thou art possessor of power over all things.

Verse 44

When the angels said: O Mary, surely Allah gives thee good news with a word from Him of one whose name is the Messiah, Jesus, son of Mary, worthy of regard in this world and the Hereafter, and of those who are drawn nigh to Allah.

Whereas, the Parties intend to agree on the specific terms and conditions governing their cooperation with respect to each transaction according to the Purposes from time to time and will set forth such specific terms and conditions in the appropriate separate agreement of corporation and/or cooperation;

Now therefore, in consideration of the mutual covenant and premises contained herein, the parties agree as follows:

1. Joint Provision and Services. The Parties may from time to time agree to jointly provide services in connection with the purposes. In such event, the parties shall use the model of the conflict of Badr to govern the work together in true brotherhood under the direction of the Divine.
2. Partnership. With respect to the Purposes, Parties create an exclusive partnership for the realization of the purposes.
3. Independent Contractors. _____ and _____
Disclosing Party
Recipient shall act as independent legal entities in all matters pertaining to this Memorandum of Understanding (MOU) and the services to be rendered jointly and employees or agents of one shall not be deemed to be employees or agents of the other for any purpose, neither party shall have the authority to obligate the other party in any respect without a specific power of attorney from such other party.
4. No restrictions to providing services separately. Nothing in this move shall be deemed to restrict _____ and the _____ from otherwise offering or marketing to any person any services that either party may offer in the course of its business, whether or not such services are the same or similar to those covered in this MOU. Notwithstanding the foregoing, the Parties shall, however, observe any restrictions on their activities resulting from the articles concerning mutual confidentiality and non - circumvention contained herein.
5. Duty of Confidentiality. Confidential information will be used by the Party receiving such Confidential Information (the "recipient") solely for the purpose of arranging and completing transactions for the Purposes. The confidential information shall not be used in any way directly or indirectly detrimental to the Party disclosing such confidential information (the "Disclosing Party"). Such information will be kept confidential by the Recipient except that the Recipient may disclose

Now let us look at the background of the principles found in the Bible and Qur'an upon which God's Master Trust: The Biblical Principles subtitled Jesus Christ of Nazareth: Thy Kingdom On Earth As it Is In Heaven and the Qur'anic Model.

Taking Another Look At Deuteronomy 23: 19,20

If one wants to obtain real incites into the American economic system one can gain them by watching Wall Street Week shown on the Public Broadcasting System, the educational television channel. A passing remark by a highly successful venture capitalist was that he made investment decisions motivated by always "finding a balance between fear and greed". This seems to be the case for the American banking system. Today, it is pushing credit cards and loans to people it never considered before for fear of keeping ahead of the rising bankruptcy rate but countering that fear with greed by sucking in as many people as it can, to maintain present high profits with higher and higher credit card ceilings, credit rates, adding unfortunately higher and higher credit risks.

For GMT the most important question is, Why should churches and Christians in general get caught up in a corrupt, out of control system of usury which is Biblically prohibited for fellow believers?

This is why GMT has looked at the contemporary potential of:

- 19 Thou shalt not lend upon usury to thy brother; usury of victuals, usury of any thing that is lent upon usury:
20 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. [Deut.23: 19,20]

We must temper verse 20 with what Jesus said as follows:

- 21---Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's.
[Matt 22: 17]

It seems to be significant that Matthew has followed up with the Great Commandment of Christ in the same chapter which says:

- 37 ---Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind.
38 This is the first and great commandment.
39 And the second is like unto it, Thou shalt love thy neighbour as thyself.

The mandate of all Christians is to absorb The Great Commandment into their consciousness so that it guides their behavior continuously. This frees them to use spiritual intelligence for making decisions while coping with the world. They can subordinate human intelligence to spiritual intelligence when they, "Let this mind be in you, which was also in Christ Jesus." [Philippians 2:5] You can provide a way of Christian living for others to follow because they will

recognize that, "Ye are the light of the world". [Matthew 5:14] Despite having to obey the laws of Caesar, a Christian will gain a special identity because he can, "--be not conformed to this world: but be ye transformed by the renewing of your mind, that ye may prove what is that good, and acceptable, and perfect, will of God". [Romans 12:2]

In chapter 22 of Matthew, verse 29 followed by verses 37-39 represent both the way for the Christian to be in the world but not of the world.

Early Christians were able to survive physically yet remain spiritually directed as a dual form of living unless they were arbitrarily killed by Rome. The early African American church was born in the slave quarters and the African slave survived as a real Christian singing, "I want to be a Christian inna my heart" because he knew he could be morally superior the hypocritical Christianity of his slave master - therefore he could envision himself, becoming free and gaining American citizenship by being a child of God and true Christian.

Within the Christian community and home, Christians have been expected always to behave as brothers reinforcing The Great Commandment, "--be ye all of one mind, having compassion one of another, love as brethren --. [1 Peter 3:8] This unity emerges because, "-- by one Spirit are we all baptized into one body, whether we be Jews or Gentiles, whether we be bond or free; and have been all made to drink into one Spirit. [1 Cor. 12:13] Therefore, brothers must obey Deuteronomy 23:19 within any environment they can control. Along with this Christian businessmen and entrepreneur must have as their bottom line:

36 For what shall it profit a man, if he shall gain the whole world, and lose his own soul? [Mark 8:36]

Losing ones soul because of greed is not only self destructive ethically and spiritually but with the bankruptcy rate being out of control charging interest is not the safest profitable way to conduct business today. More and more retail stores are advertising that they are selling their products at "0% interest".

GMT will pay interest where the laws of Caesar say it must but will work to convert such laws to permit no interest transactions too. It will aim to convert its loans and other services to a no interest partnership system as soon as possible. The bankruptcy news tells us that this will be a wise move. When it is learned that GMT is to be an interest free operation, the doubters may bring up Jesus and His The Talents parable. This is because of the passage that offers usury as the safest option for a profit, even for a one talent fearful trustee by the returning master. This unimaginative, lazy, unprepared servant had done nothing with his master's trust but buried it for safe keeping:

- 24 Then he which had received the one talent came and said, Lord, I knew thee that thou art an hard man, reaping where thou hast not sown, and gathering where thou hast not strowed:
- 25 And I was afraid, and went and hid thy talent in the earth: lo, there thou hast that is thine.
- 26 His lord answered and said unto him, Thou wicked and slothful servant, thou knewest that I reap where I have not strowed:
- 27 Thou oughtest therefore to have put my money to the exchangers, and then at my coming I should have received mine own with usury.
- 28 Take therefore the talent from him, and give it unto him which hath ten talents.
- 29 For unto every one that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath.
- 30 And cast ye the unprofitable servant into outer darkness; there shall be weeping and gnashing of teeth.

[Matt. 25: 24 - 30]

Christians working in secular financial institutions including banks may use the passage indicated as a challenge and as an excuse for what they do. They ask, "Why did Jesus use such a story which includes usury as an option?"

Another question which can be asked, was it the best option available in that day? Can we assume that the servants with five and two talents doubled their riches only by usury?

Before answering these significant questions and counter questions, let us define the method of teaching used by Jesus. By giving a parable to make a point, Jesus is using a favorite method of teaching. The purpose of a parable is to give:

---a short, simple story designed to communicate a spiritual truth, religious principle, or moral lesson; a figure of speech in which truth is illustrated by a comparison or example drawn from everyday experiences. [Nelson's p. 43]

Also, there is an overarching truth to be realized. Before we look at this story and the specific truths it communicates, we must realize **The Talents Parable** is part of a trio of parables devoted to being ready when the Master comes or for the Second Coming.

In order to properly prepare for the Master one must develop mentally and spiritually by absorbing specifically the first part of the Great Commandment. The first part of the Great Commandment of Christ is linked to Deuteronomy 6:5, "You shall love the Lord your God." His interpretation adds emphasis to this law by giving it maximum resonance specifying that each person must involve their whole heart, soul, and mind.

The Talent parable helps us realize that Matthew 25 is a chapter intended to be one of the three hundred times that preparation for the second advent is indicated. This forewarning in the New Testament requires full time preparedness when taken to a holistic spiritual level. The Talents parable is the middle story between The Ten Virgins story preceding it and The Sheep and Goats story following it. All three stories make the contrast between what happens to those who work diligently for the return of the Master and those that do not.

The Talents parable has the foolish servant with one talent proving to be content with his lot. He makes no attempt to improve what has been given in trust. The lesson of this parable is that Jesus expects Christians not just to be satisfied with their spiritual state of growth and routine rewards. They should be working to do better, always in preparation to be eligible for the greatest reward in the unpredictable future - **the second coming of Jesus Christ**. Also, all three parables leave us with a wake up call as to how the future could be interpreted by the Master for us individually and collectively

GMT can help with the forewarned parable preparation through partnership involvement of congregation depositors, church leaders, pastors, Christian businessmen, bank managers, investors, and all sincerely interested in the advancement of the first interest freeing operation since early Christian religious history. Participants have great ethical opportunities to grow economically and spiritually while empowering the poor too.

Let us take a closer look at The Talent parable. Our focus is to be on the specific ethical truth being taught and it forces us to look at the story in that context. We must define what talent money has meant in ancient times to the Jewish audience. This definition is vital to fully understand what Jesus intended the story to mean.

The specific aim of the parable is to teach people to work with whatever one has. Jesus is teaching that he expects us to make what we have to reach its profitable potential according to our abilities. It is obvious that the master in the story knows what each servant should have been able to have handled. Two out of three being not bad but he expects to be right about what all three of his trustees can do to earn himself a profit.

Jesus expects all Christians to succeed with what they have been given by God. He knows the capabilities he has given to his followers. He knows when they have failed to do the best with what they have inherited inwardly regardless of what has or has not been their starting point in the world.

Let us understand what money did mean to the everyday experiences of the audience Jesus had.

At first, money developed in the ancient world the same way no matter where it was used for transactions. It was begun with the exchange of one commodity for another in a direct manner [Doty, p. 26]. This was the usual method of exchange for trade in Palestine. Abraham and Lot accounted for their wealth in terms of the thousands of cattle they owned. So did Job (1.3). Tithes to the Temple of Jerusalem were paid in "first fruits" (Deut. 26)[Doty, p. 26]. Ancient money at first did have one or two meanings such as in coins or paper today.

Money has meant, "Anything which, by common agreement, serves as a medium of exchange and as a measure of value within or between communities".[Doty, p. 218] Doty goes on to say, "--it denotes anything that measures wealth and circulates as long as it does so by the agreement of the people it serves."[Doty, p. 218] It seems that gold and silver became attractive selections for aesthetic reasons to serve as money. These metals exhibit impressive beauty. These two metals were used for religious purposes also. Sun worshipers used gold and moon worshipers used silver. The metals used in the Temple of Jerusalem were gold, silver, bronze, and iron for different symbolic reasons and their properties determined what role they played. Also, David reveals what his contribution in metals to Solomon happens to have been for the building of the Temple:

14 Indeed I have taken much trouble to prepare for the house of the Lord an hundred thousand talents of gold and one million talents of silver and bronze and iron beyond measure [1Chronicles 22: 14]

If a culture agrees an object has attractiveness and can be usable as money it becomes the currency. Money is tangible and able to facilitate trade more than plain barter. Universally, money wealth was found to be easily accumulated. The development of an acceptable currency is critical to the establishment of a civilization anywhere in the world. The Hebrews, like any other people, gathered in communities where trade was possible, money could be made, and wealth amassed. What determined money was by what was situationally and mutually agreed upon:

Actually, in the chronicle of the world's economies, it is the invention or the monetary concept that looms large; the emergence of the coin is an after thought.
[Doty, p. 218]

It is important that we understand this "after thought" in order to understand The Talents parable in any depth. Our preparation requires that we not be confused by the different references given to money in the Old Testament. The "shekel" and "talent" at first meant they were weights. Later on they began to mean coins. [Gen. 23:15] Mould reinforces this fact about the first money:

Money was not in the form of coins, but of metal bullion, silver and gold, in weights of shekels, minas, and talents [p. 274]
Therefore, the talents Jesus refers to were really used as weights for bullion.

The Talents parable is a story about success and failure. It is about those that maximized profitability and the opposite. Each servant was entrusted with a different weight of bullion. Old Testament money is based on the following Babylonian standard:

TALENT	WEIGHT IN GRAINS		APPROX VALUE
Shekel (silver)	224 $\frac{1}{2}$	heavy	\$.64
	112 $\frac{1}{4}$	light standard	.32
Shekel (gold)=	252 $\frac{2}{3}$	heavy	9.69
silver shekels	126 $\frac{1}{2}$	light	4.85
Mina (silver)=	11,225	heavy	32.30
50 shekels	5,612 $\frac{1}{2}$	light	16.15
Mina (gold)	12,630	heavy	484.75
	6,315	light	242.38
Talent(silver)=	673,500	heavy	1940.00
60 Minas	336,750	light	970.00
Talent(gold)	758,000	heavy	29,085.00
	379,000	light	14,542.50

[Miller, p. 455]

The talent weights are the largest Hebrews weights. Different types of talents mentioned in the Bible are gold(1 Kings 9:14; 10:10); silver (2Kings 5:22); lead (Zechariah 5:7); bronze (Exodus 38:29); and iron(1 Chronicles 29:7). Specific uses for talents are found in the Old Testament:

- Tributes - Assyrian king set up kingdom of Judah for 300 talents of silver and one talent of gold (2 Kings 18:33)
- By Egyptian king for 300 talents of silver and 30 of gold (2Kings 18:14)
- Sacred utensils- Tabernacle and Temple had several made of many talents of silver and gold (Exodus 25:39; 38:24, 25, 27; 1 Kings 9: 14)
- Crown Jewelry - Ammonitish king crown weighed one talent of gold (2 Samuel 12: 30)
- Land - city cite sold to Omri on 2 talents of silver (1 Kings 16:24)

Nelson's says, "Silver was so commonly used as money that the Hebrew word for "silver" came to mean "money" (Gen. 17: 13).

[p. 854]

Jesus did not specify exactly what were the bullion weights of the talents referred to in his story. However, silver was more common than gold in relationship to money. Therefore, the talents which the master would have distributed to his

servants most likely would have been assumed by the listeners to have been silver talents since the references to gold talents found in the Bible mainly involved royalty and religion. It seems the master would not have entrusted his servants with gold, even if he were wealthy as a king, because the risk would have been too great and expensive if unsupervised by him. The following are the terms of the value of the more likely distribution of silver talents, heavy or light, and dollars and cents value as of the Miller edition:

1. Servant - 5 talents
Silver(heavy) = 3,367,500 grains - \$9,700.00
(light) = 1,683,750 grains - 4,850.00
2. Servant - 2 talents
Silver(heavy) = 1,347,000 grains - 3,880.00
(light) = 662,500 grains - 1,940.00
3. Servant - 1 talent
Silver(heavy) = 673,500 grains - 1,940.00
(light) = 379,000 grains - 970.00

This makes clear the heavy or light grain range of risk the master distributed to his servants. Another way of looking at it is that it offers the difference in financial ability that the master saw in his three servants. Nevertheless all three were expected to make money and show what they could do.

The second part of The Talents parable shows that the master did not compare the lazy, uncreative actions of his one talent trustee with his five or two talent trustees even though that should have been obvious. He did not say, "Why did you not try their methods of making a profit". Instead, the master compared the one talent trustee with what he might have done himself with one talent customarily at least at the minimum. However, it was as if it were the least attractive option available. More importantly, the usury option was not attached to the methods the 5 and 2 talent trustees who were able to double what they had. In fact, it is doubtful that they were able to double what they had before the master returned by using a bank.

When one sees "Wall Street Week" with Louis Rukeyser on the National Public Broadcasting System, you do not hear them advise people to simply leave their money in the bank and draw interest. Money managers consider that not to be worthy of the services they are capable of offering. Depositing a talent's worth of silver bullion in a bank located outside of the Temple was felt by the master to have been the lowest priority option for his least able servant to have available to imitate.

Reviewing the list of ways the Old Testament indicates as how talents are used causes the way of buying land or real estate to emerge as the most profitable option probable for the 5 and 2 talent trustees to have used. Nelson's says, "Silver generally was used in real estate transactions." [p. 854]

Although talents were not used in the following account about Roman property transactions, renting is used by dwellers with wide differences in bullion charges based on the ability to pay:

Rents in Rome were high. A poor tenant might be charged 17 or 18 [pounds] rent per annum for a single room, while it is known that one well - to - do man paid as much as 266 [pounds] per annum for a third floor flat-three times as much, says Cicero, as it was worth. [Bouquet, p. 37]

It is obvious someone made a killing. He tripled his profits in the third floor flat rent in the above example.

Of particular interest to GMT is the fact that rent is used for buying real estate in an interest free Islamic system today. Since we believe the customary way the talent was used in real estate transactions, the 5 and 2 talent servants could have at least doubled their talents through real estate deals. In conclusion, Jesus was teaching his listeners then and us today:

1. To not complain and sit down and do nothing just because you seem to have been given less than any one else.
2. Maximize whatever you have been given and you can profit from your best efforts thus pleasing the Master when he returns.
3. Have confidence that the Master knows His servants(our) abilities, knows the least and the most that each can. He expects no less than the our best.
4. Usury is a reality in the world but considers it the least desirable option. The probability is that the profits of the 5 and 2 trustees(servants) were not made by usury in a bank but through real estate transactions probably where rather good returns could be made on ones investments rather quickly. If Christians were involved, no interest need to be charged especially for renting. Christ supported Deuteronomy 23:19, 20 but expanded the ethnic family to be the extended family of believers to come beneath the verse 19 umbrella by the Trinity family whether Jew or Gentile. Where Christians are in control, interest is not to be charged. Conversion to a no interest system become a constant effort and is to be a GMT top priority .
5. Jesus expects us to render under Caesar what is his. Realistically, this is being in the world and taking care of the outward requirements of law and order. But to give God what he requires too is being not of the world. Christians must surrender the inner world completely to Him and His guidance. By acting in our purvue establishing a partnership with Him as the Senior partner, we can have the privilege of knowing how to behave in life with spiritual intelligence over depending

only on our mere imperfect human intelligence. This type of mentality is the best insurance for our being on constant alert and preparedness for the Second Coming. This is the way we can be able to do anything in our daily lives, our family lives, our school lives, our business lives, and houses of worship lives because God will be there constantly to strengthen, support, guide, and protect us in every possible situation we face anywhere He wants us to be if we are true partners.

As of this writing no interest free loan models have been found by the author in Western banks run by Christians and/or Jews. However, the trillion of dollars debt load that Americans are carrying has caused the great worry about the lack of saving. The consumer market interest system is in trouble. It is a financially dangerous times for churches and their congregations to get involved in such a system. In fact, the sign of some consumer businesses entering zero interest retail marketing already is a sure sign of how bad it is. Such actions by more and more business men, leaving the present self defeating high interest rates system, even in a limited way, is a trend showing the urgency of the situation and is one likely to grow.

The indebtedness of Americans has reached such a crisis level that alternatives have been sought. Newspapers like The Philadelphia Inquirer have taken notice of what has been happening in the Muslim world. On February 25, 1996 an article appeared in The Philadelphia Inquirer entitled How Banks Do Business Charging No Interest. There are 100 such banks operating with 500 branches in 40 Islamic countries today. According to this story, they manage \$50 billion to \$80 billion in assets while this is not much compared to western banks. It is a type of banking larger than the gross national product of just about all Middle East countries. Interestless banking is increasing at the rate of about 10 percent a year.

Western banking is taking notice especially since Price Waterhouse has examined such banks and has given them high marks for compliance with international accounting standards and regulations. In fact, the general manager of the New York branch of the United Bank of Kuwait, PLC, Abdulkader Thomas says in **What is Permissible Now?!**

---Western Christians and Jews have accepted that their worship will not intersect their practice of ethics. Belief is relegated to a part-time activity without business or inter-personal applications. Islam thoroughly rejects this concept of secularism. [Thomas, p. viii]

In the 80s Wall Street was open about its greed motivations. It was worn as a badge of honor and the norm as a badge of success. It has been admitted to be the driving force of Wall Street in the 90s too. On the PBS Wall Street Week, this was an assertion on its 25th anniversary show for its '95-'96 season

an assertion on its 25th anniversary show for its '95-'96 season annual celebration. Admitted during the 80s decade when the secular part of the Judeo Christian world was extolling greed, the International Monetary Fund publicly endorsed Islamic banking principles during the mid 80s. They seem to have been saying that Muslim banking should set the standards of ethics in the world of banking.

As issue after issue of morality comes up in financial scandal after scandal, the value of honest Muslims applying basic Islamic - no, universal - morality will be viewed by non-Muslims as a positive contribution to our modern world. [Thomas, p. ix]

Arab contributions should be considered to be natural because the Bible and Qur'an show they are brothers. When Sarah, the barren wife of Abraham, at 75 years old, decided that the only way that her husband was to realize God's promise to be the father of a chosen nation was to present her Egyptian maidservant, Hagar to him. He had Ishmael by her (Gen. 16:1-16). Unfortunately, Hagar mocked Sarah when pregnant causing Sarah to punish her so harshly that Hagar fled into the wilderness. At the well to Shur, Hagar was told by an angel of the Lord that the future of her son to be Ishmael would consist of a great multitude of descendants. She returned to the camp of Abraham and had her baby. Abraham acknowledge Ishmael as his son.

Sarah at 90 gave birth to Isaac - the actual child of promise. (Gen. 21: 1-7) Then a little later Sarah caught Ishmael making fun of her younger son, and with the permission of God sent Ishmael and Hagar into the wilderness. Abraham grieved over this but God assured Abraham that Ishmael would have a great nation to come out of his seed. This helped Abraham as he followed the banishment that Sarah wanted and God allowed.

Hagar got Ishmael to marry an Egyptian wife (Gen. 21: 14 - 21). Then Ishmael became the father of the Ishmaelites, a northern Arabian nation of nomads. Joseph was sold to caravan traders identified as "a company of Ishmaelites" (Gen. 37:25). Mohammad claimed Ishmael to be his ancestor as well as most Arabs.

Then Ishmael became the father of the Ishmaelites. The Old Testament broadens the use of the name of Ishmael using it to refer to all Arabian merchants (Is. 13:20; Ezek. 27:21, 23). Also, they were called "Midianite" traders (37:28) probably a minor clan from the larger Ishmaelite tribe.

The book Economics and Religion: Are They Distinct? recommends that Christian and Jewish economist look at Islamic economics:

---Christian and Jewish economists would be better employed in exploring (old Testament economic ethics) than in writing

the kind of boring and essentially meaningless articles which largely fill modern learned journals alleged by extending the quest by Islamic economists to explore the practical implications of the scriptural prohibition of usury --, and perhaps begin to see "islamic banking" less as the anomalous product of a misguided fundamentalism, and more as a brave practical experiment in applying the relationships on a sounder and more durable foundation than that of the current Western financial system [Brennan,ed. pp. 190 - 191].

It is important for Jews and Christians to realize that it was Mohammad who introduced Allah as the supreme God. He eliminated any minor gods being used by Meccan clans or of those clans who came to trade and worship in Mecca. He taught that:

Allah created the universe and everything in it. He orders the universe and is responsible for life, death, and regeneration. All wealth belongs to Allah and He is bountiful toward His subjects. Allah is omnipotent, ever-present, and everlasting. He not only enjoins the act of distribution [of wealth] but also participates in it. [Ibrahim, p. 93]

Sura 112 of his Quran says, "Proclaim, God is one. God is everlasting. He begets not, nor is He begotten. And there is no one who equals Him."

Masudul Alam Choudhury in The Foundation of Islamic Political Economy based such economics on four basic Quranic principles:

---the Principle of 'Tawhid' (Unity of God) and Solidarity of Humankind; the Principle of Felicity (comprising the worldly social welfare and the Supreme Felicity that indeed is seen as the sure reality in Islam); the Principle of Distributive Equity; and the Principle of Work and Productivity. On the side of policy instruments we have the fundamental ones - the abolition of 'riba' (interest transactions); the institution of 'mudarabah' (Islamic profit-sharing under economic cooperation); the institution of 'zakat' (Islamic wealth tax); and the avoidance of 'israf' (consumption and production waste).[Choudhury, p.16]

Before focusing on what Islamic banking services can be incorporated in a Christian banking system. let us review what parallels and relationships exist between members of the Abrahamic family - Jew, Muslim, and Christian. They provide the basis for encouraging Abrahamic ecumenism which seems to have been becoming more of a reality in the 90s through Middle East peace talk efforts, Desert Storm, the Bosnia campaign, and the development of joint ventures between Egypt and Israel. This will be followed by a brief summary of the scope of Islamic no interest economics including a mini version.

God's Master Trust is to be ecumenical, multiethnic, national and global. It is very important that it be set up throughout the world by the time of the coming millennium.

GMT is essential because it updates the Commandment that you do not charge your brother interest only a foreigner or enemy (Deuteronomy 23: 19 - 20). However, for Christians the Old Testament law has a split personality. Verse 19 is the verse that fits with the broadening scope that Christ provides when he includes as brothers all Christians Jews, or Gentiles but offers brotherly love as he did on the cross to friend or foe.

Jesus Christ expects Christians even to love their enemies. Of course, ethical transgressions are not to be tolerated and tough love is to be applied just as good parents do with their charges who live under their roofs yet without unnecessary abuse.

According to Wall Street investors the present system is constantly trying to make decisions that find a balance between fear and greed. The same balance seems to motivate American banking today.

It is pushing credit cards and loans to people they never considered before because of the fear of having their profit margins more and more drastically reduced due to customer bankruptcies. The greed side of the scale motivates them to make profits regardless of whether people have the ability to stay above water with the high interest rates that can ensnare them into paying.

The evidence that this type of balance is broken and trust lost in the present system comes from retail stores offering 0% interest rates up to two years are being offered in greater and greater retail numbers.

In the **ABA Banking Journal/June 1990** of the American Banking Association in discussing community banking net interests margins in 1989 we discovered:

Three months ago, in our semi-annual survey of community bank earnings, bankers reported that their net interest margins shrank in 1989, continuing a trend that began several years ago. The outlook for this year, they said, was more of the same. Thus pressure grows to generate noninterest income. P.18

Upon asking bankers, "What percent of your total income did noninterest income represent in 1989?"

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All Christians have The Great Commandment as their basic guide By using the source of spiritual intelligence it provides. They can cope with the temptations credit cards and installment buying offer. Also, this should help Christian banking and financial professionals to obtain a new birth and the courage to enter a zero interest trust.

The acknowledgment of the reality of being able to connect with the mind of God through prayer, the word, and the inner voice is the initial step to spiritual intelligence. This means making The Great Commandment of Christ part of ones conscience and a daily guide. Our conscience can be undergirded if we start each day remembering what Jesus brings to mind.

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The responses from 52 banks ranged from a low of 0.54% to a high of 19.6%. The average for the group was 8.30%, but 18 of the respondents boasted figures of 10% or more. We contacted several of these banks to learn how they generate above-average fee income.

Based on their comments, two general observations can be made:

- (1) These banks do not charge markedly higher fees for deposit services than their peers; and
- (2) The reasons for the high percentage of noninterest income are quite varied, some peculiar to a given bank's circumstances. A few reasons at random are: lease income; income from other real estate owned, written down to zero and then sold; rent from four apartments above the bank; and trust department fees. P. 18

The article titled, "Some ways to generate noninterest income" points to the following banks specifically:

1. United Bank, Barnesville, Georgia reported that their \$48 million-assets band had non interest income in 1989 which came to 10% of total income.
2. First Bank of Immokalee, Florida with assets of \$27 million in assets answered that 10.8% of its total income in 1989 was noninterest income.
3. Louisiana Bank, West Monroe (in the northern part of the state) reveals in the survey:

A return on assets of 0.98% for a bank with assets of \$57 million is hardly notable. But for a bank in Louisiana, says Clyde White, it's "Phenomenal." The president of Louisiana Bank, West Monroe (in the northern part of the state), points out that Louisiana is in the sixth year of a "horrible" real estate slump - commercial and residential. Collectively, the state's banks lost money last year, he says.

Louisiana Bank's noninterest income comprised 11% of its total income last year. That was no accident, says White. Competitive pressure on deposit rates has pushed the bank's margin lower, prompting management to look beyond service charges on deposits.

Of \$725,602 in noninterest income earned by Louisiana Bank in 1989, \$379,000 came from deposit-account charges, says White. Beyond that, however, the bank earned \$171,764 from late fees and service charges on loans. Unlike many banks, Louisiana Bank charges a late fee on commercial loans. The fee is 4% of the payment amount after the 30th day past due. Last year these fees amounted to \$12,578, according to White. Consumer loan late fees brought in another \$27,858. PP. 18, 20

Although secular banks in the west may be forced to do some noninterest banking due to the sharp lose in interest income. this will be done very reluctantly. GMT will do so as the only possible option to do business. Let us look at why the Muslim model is what is are most reliable structure to examine and study.

PART II Precedence for Using A Muslim Model

God has provided the basis for partnerships being developed between those who read the Qur'an and those who read the Bible devoutly. Recent history reveals the hand of God forming alliances between the followers of both religions during crises - the Desert Storm War, the Bosnian bloody conflict. **Morning Edition** - National Public Radio, July 29, 1996 announced a joint venture Egypt and Israel oil refinery project.

God has provided Qur'anic and Biblical linkages through parallel laws and ethical/socio - economic passages in particular. For our purposes, we notice that God has condemned usury over and over again in both books inspired by Him.

Let us take a brief overview of God's parallelism. There are parallels which need to be underscored especially for those unaware of them before taking a look at specific ethical economic parallelism potential.

Abraham is the father of the Jew, Christian. and Arab. Judaism, Christianity, and Islam worship the one God of Abraham, model their lives by His laws provided in parallel for each sect, follow and study the lives of His human prototypes, and each religion has believers who testify to being blessed recipients of specific acts of love and from God.

<u>Judaism</u>	<u>ABRAHAM</u> <u>Christianity</u>	<u>Islam</u>
Physical father - Isaac, son Jacob called Israel; ended eternal covenant with God. Ancestor of Jewish people.	Spiritual father - All believers, promises fulfilled in Christ-ancestor: Jews and Christians	Physical father Ishmael with whom founded central sanctuary of one God-Kaaba in Mecca Ancestor of Arabs
Model-obedience to the law, justified by works as prove of faithfulness.	Model - solid faith and praises Christ, faith before works	Model - first Muslim of unconditional submission = Islam; righteousness belief in God, worship, and God pleasing life.
Prototype - Isaac sacrifice, meeting faith for hardest trials	Prototype - Isaac sacrifice like Son of God being given by the Father	Prototype - Ur departure for the migration of the Prophet from Mecca.
Recipient - promises of Israel: people and land.	Recipient - promises of all peoples; Abraham heir-Jesus the Christ.	Recipient - original revelation -recorded truthfully only in the Qur'an.

Abraham had to banish Hagar, along with his and her son, Ishmael, because of the demands of his spiteful wife Sarah (Genesis 21: 9). However, since Abraham loved Ishmael very much, God promised that both of his sons Isaac from Sarah and Ishmael from Hagar would make great nations for him (Genesis 17: 19 - 20). These parallel promises caused Abraham to be reassured enough by what God had promised to carry out the demand of Sarah - cutting off Ishmael from an inheritance of material wealth but not from his love. The parallel lines of his descendants became - the Israelites and the Ishmaelites. Just before this parallel promise by God, God changed the name of Abram to that of Abraham.

5. Neither shall thy name any more
be called Abram, but thy name shall
be Abraham; for a father of many nations
have I made thee. (Genesis 17: 5)

The Qur'an points out the following referring to Genesis:

the covenant[with Abraham] included both Ishmael and Isaac.
(1) The promise to bless Abraham and his seed was given
long before either Ishmael or Isaac was born: "And I will
make of thee a great nation, and I will bless thee, and
make thy name great, and thou shalt be a blessing...And
in thee shall all families of the earth be blessed" (Gen.
12:2,3.) [surah 2:124, fn168]

Arab brothers call Him Allah while Jewish brothers call Him
Jehovah/Yahweh and still others - Christian brothers, know Him
as the Triune God the Father - the Son - the Holy Ghost. Also,
the followers of Islam, Judaism, and Christianity believe that
He is All-Powerful, All-Knowing, and Everywhere.

The Common Basic Ethic

The Jewish-Christian Decalogue

(Exodus 20:1-21)

I am the Lord your God.

You shall have no other gods
besides me.

You shall not make for yourselves
any image of God. You shall not
take the name of the Lord your
God in vain.

Remember the sabbath day, to keep
it holy.

Honour your father and mother.

You shall not kill.

You shall not commit adultery.

You shall not steal

You shall not bear false witness
against your neighbour

You shall not covet your neigh-
bour's house.

You shall not covet your neigh-
bour's wife, or his manservant or
his maidservant, or his ass, or
anything that is your neighbour's.

The Islamic Code of Duties

(surah 17:22-38)

In the Name of God, the
merciful Lord of mercy.

Set up no other deity
alongside (the one) God.

Your Lord has commanded that
you serve no one but Him.

Show kindness to your parents.
Give to the kinsman his due
and to the needy a wayfarer.

Do not kill your children
for fear of poverty. Do not
kill any man - a deed God
forbids.

Do not come near to adultery.

Handle the property of the
orphan with integrity.

Keep your bond. For you are
accountable

Give full measure when you
measure and weigh with just
scales.
Do not pursue things of which
you have no knowledge.

Do not strut proudly on the
earth.

[Kung, p. 43]

All three religions have prophets playing major roles. They
all recognize one God. They are critics of social, political
and theological matters in society. Let us examine the prophets
in parallel:

Judaism

Alongside Moses, the great prophets are the central religious figures in Israelite history.

Israel expects the coming of the end-time prophet (Deut. 18.15)

The teachers of the Torah who emerge later replace the prophets in significance.

Christianity

The prophets of Israel are significant heralds of Jesus, the Christ.

Jesus is the promised eschatological prophet. In him the promises of the Hebrew Bible have been fulfilled; his Spirit works prophetically for the future.

Even in earliest Christian times the charisma of prophecy ebbed away and was absorbed into the office of bishop (who increasingly became priest, king and prophet in one person). Prophecy is domesticated

Islam

Before Muhammad the greatest prophets are Noah, Abraham, Moses, David and Jesus. They received the very message that Muhammad received later.

Muhammad is the 'seal' which confirms and concludes all the earlier prophets.

After the death of Muhammad, those who are learned in the law are the legitimate successors of the prophet. Prophecy is institutionalized [Kung, p. 89]

Subsequent revelations to the Jewish-Christian Decalogue by Rabbis, scribes, teachers, prophets, Jesus the Christ, His disciples, preachers, ministers, and missionaries have caused a recording of the actions of God, a subset of laws, reactions and warnings, lessons, predictions, and life accounts to emerge throughout time for every aspect of contemporary life. Imams and scholars following the Prophet have caused a subset of relevant revelations for applying the Islamic Codes of Duties.

The following are the sources of revelation:

Judaism

Bible: Torah

Mishna
(Halakhah)

Talmud
(Halakhah+ Haggadah)

Christianity

Bible:OT/NT

Tradition

Canon law
(Church law)

Islam

Qur'qn

Sunna

Shari'a
(Religious law)
[Kung, p. 138]

As a result, all three religions believe they are guided by a book supplied by God. The basic book for the Muslims to read has been the Qur'an and the fundamental book for the Jews is the Old Testament of the Bible while Christians have the New Testament linked to the Old Testament as their Bible for daily guidance. By comparing the Qur'an with the Bible, a devout reader can realize that God has revealed laws of conduct provided for living in this world in parallel. Above all comes the understanding that man is over the earth. He lives on and is in charge of every living thing in the earth and its environment. However, man is to clearly realize that he has a subordinate role to play subject to the laws found in the Qur'an or Bible. Either set of laws is to be respectively and obediently applied daily. The prayerfully observant is to be aware and react to the continuing direct acts of God throughout existence in the physical and spiritual world experienced by the children of Abraham. A constant realization must be that God has infinite power over the universe. Man can never be more than a junior partner to owning and running the universe. Things can only be put in the right perspective by man this way. Man needs to understand that he is totally in charge of nothing because God made what is true and good in the universe.

Muslims, Jews, and Christians are expected to study their sacred texts, learn them, and follow them in order to have ethical and successful lives. Internalizing them, gains a direct connection to the mind of God as much as is humanly possible. The type of fellowship or junior partnership man is to have with his Father is constantly defined both by the written word and actualizations of direct real life experiences with God throughout history.

Jews seemed to have fared rather well in Moorish Spain which was part of the Ottoman Empire. Islam became a new world power and a new world religion on the European continent for seven centuries from the seventh century. Despite the lack of equal rights and other restrictions in terms of holding public office, Jews could not have Muslim slaves, nor have houses higher than Islamic neighbors, could not ride horses, build no new houses of God, nor practise their religion publically. Still Jews fared much better in Islamic environments and territories than Christians and Kung says further:

And yet in fact under Islam (+Ishmael, Abraham's other son!) the Jews fared **better than under the rule of Christianity**, the Roman and Germano-Roman empire (+'Edom', the descendants of Esau, Jacob's selfish brother). Was this simply because of the malice and hostility of the Christians? **No, there was a very real background to this treatment and there were very real reasons for it.**

- In the Islamic empire, despite all the restrictions, there were generally a **legally binding basis** which gave the Jewish minority guaranteed rights (even of personal possessions); this was lacking in the Christian West because of the

migration of peoples, and in the Byzantine empire had steadily been replaced by a legislation which was hostile to the Jews. -From the beginning the Jews had **central spiritual authorities** which were recognized by the Islamic authorities, in the framework of a self-government which extended beyond the local community (the Babylonian exilarchs and Gaons/heads of the colleges; there were also corresponding authorities in Egypt, in Spain), whereas in Christian Europe the autonomous Jewish communities had long lived alongside one another and were not represented by any supra-regional authority.

-After the loss of the Christian Syrians, the Jews could continually be of new help to the Islamic empire in trade in the East and the Mediterranean, whereas in the Christian sphere at a very early stage they had to surrender long-distance trade with the Islamic world to the Italian cities, which in the late Middle Ages also took the lead in the Islamic sphere.

-The Jews could use Arabic, which is akin to Hebrew, as an international language for commerce and trade, whereas they gained hardly any command of Latin which, while international, was limited to the clergy and the learned, and so were forced back on the various national idioms, which were not yet very cultivated.

-The Jews were also closer to the Muslims than to the Christians to religion, because of their clear monotheism, without any mysterious dogmas, and because of the similarity of their commandments about purity and food. They saw themselves even more separated from the Christians as a result of the doctrines of the Trinity and the Incarnation which had now been developed fully, than as a result of the original dispute over law and circumcision.

The 'golden age' of Moorish Spain exemplifies the way in which, despite Muslim rule and all the restrictions, it was possible for Jews and Muslims to live together with some degree of harmony; at any rate this gives the lie to the talk of 'ancestral Jewish-Arab hostility' which is customary today. After the Jewish-Hellenistic symbiosis, this Jewish-Moorish symbiosis was the second interaction in world history between the Jewish culture and an alien culture.

[Kung, pp. 155 - 157]

In the decade before the end of this century, God seems to have moved from acting in religious parallels for his three monotheistic religions to causing interactions because of war. God has always acted to make clear what is wanted - now it seems to be to obtain a realization of Abrahamic ecumenism. Clarity comes when we look at two joint ventures which have been successful in this decade leading to the ending of two terrible conflicts mentioned already.

A more detailed appraisal reveals that Kuwait had been joined by Christian nations led by an African American General and

Chief of Staff of the U.S. armed services, General Colin Powell, a Christian too. The U.S. armed services are multicultural representing American Christians, Jews, and Muslims. A fusion of cultures and faiths has forged the greatest fighting force in the world today. Coupled with the strength of Kuwait, other Arab nations plus Europeans, the war ended in record time with little loss of life. Significantly, Kuwait provided Israel with a buffer between her and Iraq so that Israel did not need to participate.

No sooner than the liberation of Kuwait in 1991, war broke out in Bosnia in the same year with Serbs killing, raping and ethnic cleansing Bosnia of Muslims. Hopefully, these atrocities have been ended in 1995 - better late than never when the U.S. came to lead the rescue. Unfortunately, April 3 1996 brought tragedy to Bosnia thru a mission of restoration. It was led by an African American Secretary of Commerce, Ron Brown and several prominent American corporate heads, to rebuild Bosnia, particularly the Muslim communities economically in trade. Brown, called the nation's chief salesman, and a party of 33, lost their lives in a plan crash approaching the airport at Dubrovnik on the Adriatic coast of Croatia. This mission was specifically to help start a \$5 billion international plan drawn up to repair power plants, water treatment facilities, oil and gas pipelines, buildings, roads and bridges in the Balkins. With such a sacrifice from the best of America, and specifically African America has to offer, has created an even greater reason for Muslims and Christians to work together particularly for humanitarian and economic reasons with African Americans of special note.

The Public Broadcasting System in the beginning of May 1996 discussed the refiguring of the Middle East on its "Morning Edition". The main topic was about the positive impact on this part of the world caused by the alliances Israel has been developing with Egypt, Jordan, and Palestine. The main focus was upon the growing interactions between Israel and Turkey. It spoke in the context of the possible return of the Ottoman Empire which had completely ended in World War I. The momentum for the restoration of Abrahamic family partnerships seems to be a powerful possibility for the twentyfirst century. Making God to be the senior partner for this family could seem to have for Christians potential "second advent" preparation that evidences God's will.

These events both triumphant and tragic seem to have a clear message in them. It is time for the people of God to become partners to make the world a better place. No longer need the people of God to do things in parallel ethically with scattered partnership efforts but with a growing counterpoint of dialogue and positive actions. Let us revive our common religious ethical socio economic roots as the extended family of God expanding partnerships with God and ourselves more vigorously than ever before.

From The Past and Present: The Religious/Usury Legacy of Jacob

God's Master Trust intends to fulfill the Old Testament Jewish laws on usury as followers of Jesus. The key to coming as close as we can to what Jesus intends is rested upon what Christian brotherhood is. However, the reality of living in the real world, symbolically under Caesar, seems to provide a constant challenge of doing what religious and moral law demands in contrast with what secular law allows and makes possible for obtaining a profit in the world of banking, finance, and business in general. This is true particularly when it has to do with religiously controlled usury laws compared with secular usury laws. Also, it seems in the Judeo Christian world those religiously controlled usury laws became neutered by pragmatism. Taking a look at how this happened can provide a valuable background, direction, and aid in understanding why a church banking system must be interest freeing.

It is well known that the descendants of Jacob have a religion which is based upon a law code. This is not unique to Israel but is a characteristic found among the religions of the ancient world. Mankind needed a law code as a means of knowing what is right and wrong behavior for individuals and groups worshipping the same divinity or divinities and various ancient religions provided them. There is a contrast which can be made between the Biblical law code, or the Mosaic Law and the other Near Eastern law codes. The laws of most nations were supposedly originated with the gods but were focused and applied in a very personal and subjective way:

Even the gods were under the law, and they could suffer punishment if they violated it - unless of course, they were powerful and able to conquer the punishers. The king ruled under the god whose temple and property he oversaw.
[Nelson's, p. 747]

This king has not lived under a written code but he is supposed to have a personal means of communicating with and interpreting the will of the god to be worshipped. This causes the law to be decided on a case by case basis and is dependent on the judgment of the king alone. Most of the time the king kept the laws secret. This gave the king a god like image.

By contrast, the biblical concept was that law comes from God, issues from His nature, and is holy, righteous, and good. Furthermore, at the outset of God's ruling over Israel at Sinai, God the great King gave His laws. These laws were binding on His people, and He upheld them. Furthermore, His laws were universal. Ancient oriental kings often tried to outdo their predecessors in image, economic power, and political influence. This was often their motivation in setting forth law codes. God, however depicts His law as an expression of His love for His people
[Nelson's, p. 747]:

- 5 Now therefore, if ye will obey my voice indeed, and keep my covenant, then ye shall be a peculiar treasure unto me above all people: for all the earth is mine:
 6 And ye shall be unto me a kingdom of priests, and an holy nation. These are the words which thou shalt speak unto the children of Israel. [Exodus 19: 5 - 6]

Breaking the laws of Israel have been crimes against God:

- 9 And when they forgat the LORD their God, he sold them into the hand of Sisera, captain of the host of Hazor, and into the hand of the Philistines, and into the hand of the king of Moab, and they fought against them.
 10 And they cried unto the LORD, and said, We have sinned, because we have forsaken the LORD, and have served Baalim and Ashtaroth; but now deliver us out of the hand of our enemies, and we will serve thee.
 11 And the LORD sent Jerubbaal, and Bedan, and Jephthah, and Samuel, and delivered you out of the hand of your enemies on every side, and ye dwelled safe.
 [1 Samuel 12:9 - 11]

The God of Israel indicates His expectations that His people are to have love and willingness to serve Him.

- 21 I hate, I despise your feast days, I will not smell in your solemn assemblies.
 22 Though ye offer me burnt offerings and your meat offerings, I will not accept them: neither will I regard the peace offerings of your fat beasts.
 23 Take thou away from me the noise of thy songs; for I will not hear the melody of thy viols.
 24 But let judgment run down as waters, and righteousness as a mighty stream. [Amos 5:21 - 24]

Being the final judge, He disciplines violators of the law.

- 21 Thou shalt neither vex a stranger, nor oppress him: for ye were strangers in the land of Egypt.
 22 Ye shall not afflict any widow, or fatherless child.
 23 If thou afflict them in any wise, and they cry at all unto me, I will surely hear their cry;
 24 And my wrath shall wax hot, and I will kill you with the sword; and your wives shall be widows, and your children fatherless. [Exodus 22: 21 - 24]
 18 He doth execute the judgment of the fatherless and widow, and loveth the stranger, in giving him food and raiment.
 19 Love ye therefore the stranger: for ye were strangers in the land of Egypt. [Deuteronomy 10: 18 - 19]

Notice that love is an important element that should not be violated even in consideration of strangers. It is striking that the Jews are reminded that they were strangers in Egypt and should appreciate fair treatment of foreigners.

- 17 Then both the men, between whom the controversy is, shall stand before the LORD, before the priests and judges, which shall be in those days;
- 18 And the judges shall make diligent inquisition: and, behold, if the witness be a false witness, and hath testified falsely against his brother:
- 19 Then shall ye do unto him, as he had thought to have done unto his brother; so shalt thou put the evil away from among you. [Deuteronomy 19: 17 - 19]

Of course, Jesus teaches us not to forget the element of love which is always there for our own salvation from God despite our failures and even though His law spells out how we are to behave. Therefore, we are never to forget to place ourselves in the place of others. You are to do unto others - strangers or brothers - as you would be done by instead of punishing a brother as he tried to punish you or another in revenge. However, it is the responsibility of Israel to uphold the law and to make sure that justice is to be done too:

- 32 And while the children of Israel were in the wilderness, they found a man that gathered sticks upon the sabbath day.
- 33 And they that found him gathering sticks brought him unto Moses and Aaron, and unto all the congregation.
- 34 And they put him in ward, because it was not declared what should be done to him.
- 35 And the LORD said unto Moses, The man shall be surely put to death; all the congregation shall stone him with stones without the camp.
- 36 And all the congregation brought him without the camp, and stoned him with stones, and he died; as the LORD commanded Moses. [Numbers 15: 32 - 36]

This man is known as a Sabbath breaker. The themes in the Ten Commandments indicate why this is such a serious crime. Breaking the Sabbath shows a lack of love only for God (6th) making him ineligible for God's mercy, that he must have loved other gods than the true God (3rd) and he broke all of the Sabbath Commandments (8th to 11th Commandments) which allow six days for work matching the number of days for creation [Gen.1] followed by the one day for rest and worship solely - the Sabbath. Nevertheless, the laws of God are humane when compared to those imposed by the other religions of the day:

God's law, unlike those of other nations of the ancient world, also viewed all human life as especially valuable, because people are created in God's image. Thus, biblical law was more humane. It avoided mutilations and other savage punishments. Victims could not inflict more injury than they had received. Neither could criminals restore less than they had taken or stolen simply because of a class distinction. Everyone was equal before God's law.

The "eye for eye" requirement of the Mosaic Law was not a harsh statement that required cruel punishment. Instead, it was a mandate for equality before the law (Ex.21:24). Each criminal had to pay for his own crime (Num. 35:31). Under the law codes of some pagan nations, the rich often could buy their way out of punishment. God's law especially protected the defenseless widow, fatherless child, slave, and stranger from injustice (Ex. 21:2, 20 - 21; 22: 21 - 23). [Nelson's, p. 748]

The Sabbatical Year came every seven year in the Hebrew nation and was a time when the land was set aside and left not cultivated (Lev. 25:4-5). Any crops and harvest reaped at the time was to be "the common possess of all people and animals" (Ex. 23:11; Deut. 15:1 - 18). It was not to be saved for future use. Perhaps more humane than anyone else was the aspect of the law which canceled all debts owed an Israelite by their fellow Israelite (Deut. 15:1-5). At the minimum, a period of grace was set aside in which repayments for debts was not required. Hebrew slaves were to be freed as a reminder that all were slaves in Egypt at one time and that it was God's redemption and goodness that freed them. One of the reasons that Israel suffered 70 years of bondage in Babylon was because the Sabbatical Year was not observed from the time of Solomon (Jer. 34:14-22).

Jesus refused to go along with the impersonal interpretation of the law by the religious leaders and teachers of his day. He reminded them of the humaneness of God's law and the love that fulfilled it and marked one of the most important aspects of His mission by the lesson He taught about doing deeds of love towards man or animals even on the Sabbath. By His example:

He insisted on understanding and applying the law of God in the light of its original intention, not according to the popular interpretation of the religious establishment. He insisted on healing sick people on the Sabbath day. He believed that healing people did not profane the Sabbath but honored it, because it was established by God for the rest and relief of human beings (Luke 6:6-11). [Nelson's, P.662]

Israel becomes separate from pagan nations also because their God is holy and is to be worshipped by involvement with a bread offering setting an example for Moses and all Jews to follow:

8 They shall be holy unto their God, and not profane the name of their God: for the offerings of the LORD made by fire, and the bread of their God, they do offer: therefore they shall be holy. Lev. 21: 8

26 And ye shall be holy unto me: for I the LORD am holy, and have severed you from other people, that ye should be mine. [Lev. 20: 28]

Usury laws are part of civil law which is included in the Pentateuch. The Pentateuch includes the first five books of the Old Testament and their laws regulate behavior that is civil and social. A brief summary about these laws is that:

All laws are fundamentally religious since God is the lawgiver and ruler over everything. There are eight distinct categories of civil law in the Old Testament: (1) laws regulating leaders, (2) laws regulating the army, (3) laws respecting criminals, (4) laws dealing with crimes against property, (5) laws relating to humane treatment, (6) laws about personal and family rights, (7) laws about property rights, and (8) laws regulating other social behavior. [Nelson's, p. 748]

Free interest loans are to be granted under categories (3) and (5) to guard against the crime of usury that take advantage of the defenseless individual like the widow, fatherless child, the deaf, blind, slave, hired hand and the poor. Protection of the defenseless by providing free interest loans has continued today for Jews in their communities worldwide.

The spiritual struggle that Jews have been facing from the outset of their history seems to be embedded in the name given to Jacob after his struggle with God at Peniel close to the brook of Jabbok (Gen. 32: 28;35: 10). The name Israel means "he strives with God", "let God rule", or "God strives". It predicts that the Jew must work hard to please God and follow His laws. Jacob, the child of God's promise, was given great wealth and no one could defeat him, he pretty much got what he wanted until his wrestling match in the darkness. This became the first competition he could not seem to win. But he was not a quitter.

For his struggle "with God and with me" in which he had prevailed, his name was changed to Israel (literally, "he struggles with God")[see Hos. 12:3]. In return, he gave a name to the spot that marked the change; it would be called Peniel - "For I have seen God face to face, and my life is preserved"(32:30).

Also, the nation of Israel has been formed by the laws of God. It becomes a theocracy because it is to be completely controlled by the laws and will of God that is worshipped before Roman occupancy. A democracy like the U.S. has is considered to be our best form of government today for the secular world. This, the one prevailing super power is not a theocracy even though it claims to be "under God". Every aspect of American life is not dictated by the laws of the Old or New Testament. Even though most Americans claim to be Christian or Jew, all are not because of the freedom of religion is permitted by Constitutional law. Any type of religion can be freely worshipped as long as it is not harmful to others.

This means the Jew has to strive with his moral code in order to cope with what his God expects while trying to live with the laws of Caesar (the secular state of today). Serious conflicts and striving exist today as in the past. The conflict has resulted in a split religious/economic personality today according to Meir Tamari, chief economist of the Bank of Israel. He gives a very revealing picture about the state of mind of Jews concerning the way they make money in a '94 article entitled, "Wealth, Torah, and Morality", *Tikkun*, a magazine about Jewish affairs. Tamari observes:

The absence of a clear, Jewish economic behavioral model from the lessons taught in many Jewish schools and synagogues may lead Jews to assume that there is nothing within Jewish tradition to counter the extreme individualism and cutthroat competitiveness that characterize our market-oriented, capitalist system. This separation of business and material wealth from the sphere of everyday Jewish life creates a "religious/economic split personality." [Tamari, p. 57]

Tamari feels that this split personality is a result not due to the values of Jewish tradition but is due to basic distortions of the same. He indicates that those who wish to solve this dilemma by looking to the Torah or Jewish law:

---will find that the tradition, in its treatment of the ethical issues of money and wealth, contains the tools for overcoming the excessive materialism and competitiveness so prevalent in modern economic life. [Tamari, p. 57]

He makes no excuses for the conflict between Biblical laws and secular laws exposing it as a hypocrisy which fosters the division within the Jew:

Jews who exhibit the economic/religious split personality often make a great show of piety and careful religious observance while routinely engaging in ethically questionable financial and business practices. [Tamari, p. 57]

Tamari's harshest condemnation is that if economic sins have hurt large numbers of people, the Jew responsible even with the split personality is beyond redemption:

One who defrauds through false weights or measure or other forms of theft can only repent if he returns the stolen money. If one has defrauded scores of customers, shareholders, or creditors, however complete restitution is virtually impossible. Out of mercy for the poor soul who cannot achieve t'shuva (repentance), charitable giving is proposed as an inferior, second-class penance, but Judaism has no place for sharing ill-gotten goods with Torah students and the poor. [Tamari, p. 58]

Tamari seems to express the strict conservative school of thought which is very powerful and even fanatical today in Israel. However, we read an alternative point of view which still labels such practices as wicked but does not reject ill-gotten gains from being used for good based on Biblical principles. This view has been expressed already as part of the vision of Bishop George Scott in his God's Financial News:

God reminded me that the "Wealth of the sinner is stored (laid up) for the righteous (just)" - Proverbs 13:22.. He reminds me also that "... to the sinner. He giveth the works of gathering and heaping (gathering and collecting) that he may give to him that is good before God..." (Proverbs 28:8). Also, Proverbs 28:8 declares: "One who increases his possessions by usury (in Hebrew usury means interest) & unjust gain, he shall gather it for him who will pity the poor."

This view seems to be that such evil wealth must be identified as such but it can be laundered spiritually and used for good by prayer with God's blessings. If spiritual laundering is not done, then such ill-gotten gains cannot be used by the rabbi, the clergy, or the Imam. There are economic/religious split personalities among Jews, Christians, and Islamics alike living in this usurious, fear to greed driven world.

The solution Tamari offers is a return to the days when "one Jew could take another before a Bet Din (Jewish court) to settle financial disputes. He says this must be done to heal the economic/religious split personality that the Jew suffers today. Also, he recommends that the courts decision be reinforced by:

Restoring peer pressure through social punishment, as was done in halachic (Torah obeying) communities, is perhaps the major need today. Peer pressure is a potent weapon in preserving economic morality especially where legal punishment is impractical or impossible. [Tamari, p. 94]

Tamari does seem to offer a way of healing for those cursed by the economic/religious split personality which is a combination of the religious court settlement for ones' sins and because of peer pressure.

Christians in banking or finance may have a moral concern about unethical practices or bankruptcies they have seen on the job. They may feel a similar split in their personalities but they may have a stronger hope for salvation than Tamari offers his Jewish brothers. A major part of the ministry of Jesus Christ dealt with repentance. Before Jesus came on the scene, John the Baptist declared, "Repent, for the kingdom of heaven is at hand." [Matt. 3:2] He said to the masses, "Bear fruits worthy of repentance". [Matt. 3:8; Luke 3:8]

Jesus expanded John's message of repentance to include the good

news of salvation, "The time is fulfilled, and the kingdom of God is at hand. Repent and believe in the gospel."
[Matt. 4:17; Mark 1: 15]

Also, even though Jacob earns the name Israel which described his struggle with God and predicated the same for his offspring and nation, Jeremiah provides a critical revelation and hope he has about that episode:

- 3 The LORD hath appeared of old unto me, saying, Yea, I have loved thee with an everlasting love: therefore with lovingkindness have I drawn thee.
- 10 Hear the word of the LORD, O ye nations, and declare it in the isles afar off, and say, He that scattered Israel will gather him, and keep him, as a shepherd doth his flock.
- 11 For the LORD hath redeemed Jacob, and ransomed him from the hand of him that was stronger than he.
[Jer.31:3,10,11]

Jeremiah reminds the world about God's tough love towards Israel even though, like Jacob, they have striven with Him. He is still their shepherd and will always draw the repentant Hebrew to Himself for protection and redemption. David says, "For the LORD is good; His mercy is everlasting; and His truth endureth to all generations. [Psalm 100: 5]

Deuteronomy 23: 19 - 20 raises the level of the split personality considerably because of its duality. This passage seems to accommodate the sense of brotherly love for fellow Jews(v. 19) while not disturbing the practices in the world(v. 20). Judith Hauptman, associate professor of Talmud at the Jewish Theological Seminary of America explains the dual accommodation for Jews today in the same **Tikkun** issue as Tamari with an article entitled "Judaism and A Just Economy":

---Jews care for every poor Jew by lending him money interest-free in order to help him get back on his feet, but do not do the same for non-Jews because interest, in the eyes of Torah, is fair compensation for the use of one's money - a point often missed by commentators - then rather than be embarrassed by this piece of legislation, we should recognize it for what it is - a system for insuring that every person in need has a caregiving person or community to whom to turn. No one is abandoned. The set of poor is mapped onto the set of those able to support them. [Hauptman, p. 56]

Even though Tamari seems to agree that such a charitable operation carries out God's law, he does not excuse those Jews who try to cover up their acts of corruption in the world with such charity. Nevertheless, the audience Hauptman is addressing, as Jews have suffered being persecuted minorities. They provide a valuable example of how oppressed minorities of all races

might solve their repressive poverty problems. Christian minorities should use their religious roots to the Torah through the Jew, Jesus Christ, as a way to follow Judaic poverty model with a focus on the first accommodation verse 19.

Jews have faced terrible persecution throughout their history under the worst authoritarian governments in the world from the likes of Caesar's Rome to Hitler's Germany and Stalin's Soviet Union. They have used interest free loans as a way to help each other. Also, they have taxed each other in order to do this and especially for charity. We learn from the great Jewish Rabbi Moses Maimonides (1135-1204) and his Code of Maimonides, "Gifts to the poor are not benevolence but debts". [Kung, 948]

It follows that all people (except orphans) must fulfill the commandment of Zedakah. Ever the poor who themselves are supported by charity are required to give a portion of what they receive. Whoever refused their legality stipulated minimum contribution to the community fund was compelled by the court to pay and the authorities could seize a person's goods for this purpose. In view of the fact most traditional Jewish communities were self-governing, the resulting community can be described as "a modified welfare city-state." [Kung, 948]

Financial help can be expected from Jewish communities worldwide during times of great local persecution. Historically, money has been sent from around the Jewish world to pay ransom, alleviate hunger, provide cloths, help reduce extra physical wants, provide the means for poor brides to marry. Israel has always received international help from the entire world of Jewish communities. Of course, the strongest support has been from Jewish Americans.

Nevertheless, if a broader brush is used to reveal the state of mind of Jews concerning what they are doing in the real financial world and how those often very aggressive and profitable practices measure up to the Torah, we find that there is a severe gap between their economics and their religion. This has resulted in the split economics and religious personality trap to which Tamari wants to apply peer pressure to end.

For the Christian, Jesus tries to shake up similar Christian split personalities in banking and finance with this question:

26 For what is a man profited, if he shall gain the whole world, and lose his own soul? or what shall a man give in exchange for his soul? or what shall a man give in exchange for his soul? [Matthew 16: 26; Mark 8:36; Luke 9:25]

Today in view of what Tamari and Jesus say about those who have tried to accommodate the practices of the world or who have viewed as a pragmatic necessity to be successful in business at the cost of Deuteronomy 23: 20 it has been too high. It has meant the loss of one's soul when causing economic slavery and bankruptcies at record rates for millions of gullible people. We have to believe that Tamari and Jesus would agree that nothing is worth such ethnical recklessness. The solution seems to rest with facing the reality of being in the world but not of the world - a duality which Jesus tells us that God expects us to make work by putting Him first in all that we do in the world. This counter or reverse duality is expressed in summary even in correctly interpreting Deuteronomy 23: 19 - 20 for the 21st century as follows:

- 13 And now come I to thee; and these things I speak in the world, that they might have my joy fulfilled in themselves.
- 14 I have given them thy word; and the world hath hated them, because they are not of the world, even as I am not of the world.
- 15 I pray not that thou shouldest take them out of the world, but that thou shouldest keep them from the evil.
- 16 They are not of the world, even as I am not of the world.
[John 17: 13 - 17]

Later John amplifies the above:

- 4 For whatsoever is born of God overcometh the world: and this is the victory that overcometh the world, even our faith.
[1 John 5:4]

This adds more powerful ethical and spiritual ammunition to undergird a 0% church financial system. The following verse has always given Christians moral courage to do the right thing:

- 2 And be not conformed to this world: but be ye transformed by the renewing of your mind, that ye may prove what is that good, and acceptable, and perfect, will of God.
[Rom 12:2]

The history of usury laws helps us learn how the Jew and Christian have struggled with the world of economics and the Mosaic laws and has resulted in the split personalities both for those who worship in the synagogue and the church.

The history of usury for those who work in the synagogue is the discussion which ends this discussion about the legacy of Jacob. Part III will reveal how the history of usury impacted upon the Christian church causing the gap to have destroyed all defenses against usury in the westernized, mercantile Judeo Christian world.

As GMT begins the process of closing the gap again let us continue to look at what history has to tell us today that can be used in order to not repeat the shattering spiritual experiences of the synagogue and church world.

There is an economy about religious belief - an economy and a tendency toward evolution. Over the centuries, the religious traditions, like traditions of other kinds, tend to abandon what is useless and preserve what is useful. The religions may not measure utility in the same terms that secular society does; but, as many sociologists have suggested, religious traditions that lack any relevance to the human experience are very likely, over time to wither.
[Carter, p. 231]

Multicultural economics have ancient roots should be allowed to be forgotten. Tragic tensions between Hebrews and Palestinians today need to be challenged by reminding ourselves of the rich interactive history from ancient times.

Ancient Multicultural Economic Roots

When the Hebrews first entered Palestine, they were little removed from the crude level of the Arabian desert tribes. Inured to life under the open sky with no covering but a tent, only slowly did they adapt themselves to town life and city ways, and all this they learned from the Canaanites. They did not exterminate the Canaanites. They first lived among them and their civilization. At first this new culture was something of a veneer, a borrowed thing which fitted them at times uncomfortably.

Unquestionably this avidity to absorb culture had much to do with the rapid social development of the Hebrews throughout the course of Old Testament history. [Mould, Essentials of Bible History, p. 75]

The multicultural acculturation of the Hebrews from their neighbors in biblical times was accomplished when they traveled from one home to another before settling down in Palestine. Probably taking the route between Babylonia and Syria, they moved from the land of Ur to Chera or Haran. The obvious influences found between the Hebrew and Phoenician languages had to have happened next when the Hebrews arrived in Canaan. They then probably took part in the Hyksos invasions when they moved into the valley of the Nile. Under the historic leadership of Moses first followed by Joshua, they settled down in the Jordan valley, the 'Promised Land' - a gift from their God to his 'chosen people'. The Tell el Amarna texts of 1380 - 1350 B.C. indicates attacks by Khabiru nomads on Jerusalem still an Egyptian possession. The same texts of c1230 record the Pharaoh Merneptah victories over Canaan, Ascalon, Gezer, Yanum plus over Israel. The Israelites final settlement probably occurred during the later date.

All this history explains why Hebrew civilization presents a composite characteristic from the earliest times. That is the impression given, for example, if Sumerian, Accadian, and Hittite stories are compared with those told in Genesis: it is the impression derived from legal concepts, from the contrast between the characteristic Hebrew monotheism and the continuous infiltrations of polytheism, and from the designs found in Hebrew architecture, carving, and so on. To overcome their foreign enemies, the Hebrews passed through a phase of priestly government on a federal basis, and achieved union under a monarchy, which took pains to develop the country's industry, trade, and agriculture. The later schism between the two kingdoms of Israel and Judah was aggravated by the struggle between monotheism, upheld by the priests and Prophets, and the syncretism favoured by some of the rulers; a further factor was the decline of the ruling houses. Meanwhile the rivalry between the two states, which were often at war with each other, weakened

both; it also forced them into alliances which were unstable and burdensome.[Pareti,et al **The Ancient World**, pp.20-21 History of Mankind, Cultural and Scientific Development, Vol.2]

The kingdom of Israel had a chaotic history divided by two rival areas. One being pro-Aramaic favouring Damascus and the other being pro-Assyrian until 732 when Tiglath-Pileser III reduced the kingdom just to the territory of Samaria. Then it was destroyed in 722 by Sargon II. He moved the propertied classes to Mesopotamia and the country being settled with the Arabian and Babylonia peoples ('Samaritans'):"-these modified the racial, cultural, and religious structure which the region had acquired." [Pareti, p. 21]

The kingdom of Judah was able to survive the larger Israel for a century and a half. They served as a buffer between the empire of Egypt and that of the Assyrians who became the Chaldeans. Pareti says, "A first deportation of Hebrews was carried out on the orders of Sennacherib about 700, and in 586 came the larger deportations ordained by Nebuchadnezzar." [Op.cit. 21]

Exile in Babylonia from 586 B.C. - 538 B.C. had great impact on Hebrews as follows:

It polarize them in the indomitable will to rise again, and in their absolute certainty that divine intervention had reserved for them a glorious future. It evoked in them the sublime conception of the indestructible link of nationality, which bound them together even when their country was lost to them. Finally it placed them in daily contact with the peoples of Mesopotamia, with obvious effects upon their output of literature and art, and upon their legal, social, and other ideas. [Op.cit. 21]

Babylon was called the "commercial mistress" of the ancient world, Babylon could make an impact on the principles of business and social ethics as reflected in the Hammurabi Code upon that world through her traders and her power. She achieved a high degree of skill in sculpture, metal casting, gem cutting, and inlaying metal, oil, stone plus she was famous for textiles especially wool as found in the (goodly Babylonish mantle among Jericho spoils (Joshua 7:21). Hebrews living in Babylon learned about coined money-standard as the half-shekel. Systems of weights and measures were used by many. They carried back to Palestine a system of synagogues developed while in Exile. Many of the laws, narratives and prophecies found in the Old Testament were first recorded during the Babylonian captivity (Pentateuch enlarged form, Second Isaiah, last part of II Isaiah, last part of II Kings, and probably Ezekiel, Haggai and Zechariah. [Miller, p. 51] The Code of Hammurabi along with codifiers of Assyria and the Hittites influenced Hebrew codes. The Deuteronomic Codes used parts of specific laws in the Hammurabi Code such as the introductions and conclusions of

Deuteronomy 12 - 26. The Hebrew Code of the Covenant had divisions like the Code of Hammurabi. The section for The Law of Property for the Hammurabi Code is like the Law of Property found in Exodus 21:33f,35f, cf Ham 53:65ff. The Law of Persons includes liabilities in Exodus 21:2-11; Deuteronomy 15:12-18;cf Ham. 228 - 282; family as inheritance in Deuteronomy 21:15 - 17, cf Ham. 162 - 193,[Miller, p. 243]

Briefly: The Early Arab, Jewish, and Christian Banking Community

Definitions

The original use of the word **bank** is not clear. Like its origins as a business activity, it does not seem possible for a satisfactory determination to be reached about origins for the term **bank** or **banking** perhaps because it is a practice that has been generated out of necessity. It happened very naturally and significantly wherever trade and money had to be used for payment and profit in ancient societies of diverse cultures. Because it is well known that the Arab and African world is the area of the earliest trading, money lending, money changing, and banking activities, let us look to an Islamic expert on banking for his contemporary views on the meaning of the word and its possible evolution. He concedes a European origin to the word but not to the activity itself. S.H. Homoud, General Manager of the Albaraka Islamic Investment Bank of Bahrain, wrote the following definition in his book Islamic Banking:

The Arabic word of bank, 'Masrif', originated from the word 'exchange', i.e. sale of currency for currency; it is the name of a place (like Mafe'l), i.e. the place where the exchange is effected; hence the word Masrif. The object lying behind this Arabic nomenclature was to find an Arabic equivalent to the word 'bank'. which is of European origin. However, the Arabic word Masrif was not an entirely satisfactory substitute for the European word 'bank' in both the vernacular use and in legislation and literal use.

It is said that the origin of the word in modern European languages is derived from the Italian word 'Banco', which means table or counter. According to scholars the reason why this word was related to the banking business was the then prevailing habit of Lombardian money changers, (when trade and exchange of money flourished in the northern Italian cities at the end of the Middle Ages) of using wooden desks to carry on their businesses in the markets of buying and selling the various currencies.

Whatever may be the origin and lineage of the word, scholars have ascertained that in its broad sense found its way into being in the various conditions which prevailed through the ages. However, banking did not become a coordinated and systematic business until the European Renaissance and has evolved and developed according to the conditions and requirements ever since. [Homoud, p. 15]

The difference Homoud admits to between the Arabic and European interpretation of the term bank causes him uncertainty as to the true origin of the word. English dictionaries such as Webster's indicate the source of the word to be Middle English, from Middle French or Old Italian; Middle French is banque from Old Italian it is banca which is literally bench. However,

the use of tables for banking existed in Palestine during the days of Jesus as revealed when he ran out the extortionist money exchangers from the Temple:

12 And Jesus went into the temple of God, and cast out all them that sold and bought in the temple, and overthrew the tables of the money-changers, and the seats of them that sold doves. [Matthew 21:12]

Luke has been considered to have been a well educated man and the best versed in Greek of any other author of the New Testament (see Nelson's, p. 778). In fact, he substituted Greek expressions for most Jewish terms except a word like "amen". Therefore, it is significant when he uses the term bank in his version of The Talents parable which is probably ancient Greek in origin:

23 Wherefore then gavest not thou my money into the bank, that at my coming I might have required mine own with usury? [Luke 19:23]

The Activity

There is clearer, more meaningful historical evidence when the activity of banking is examined. By his discussion, Homoud helps to sharpen our focus:

Banking is deemed to be the first born child of any civilized stability because such stability creates the environment in which confidence grows and trade flourishes. Although it was impossible to establish the first starting point of the banking business, it is clear that the need for it emerges and developed with the use of money as a means of exchange at the beginning of organized agriculture, industry and trade. The first cultures of the Sumerians and Babylonians knew various kinds of such activity, as did later the Greeks and Romans - though theirs were different in form and appearance. [Homoud, p. 17]

Modern research is pointing increasingly to older civilizations such as Ethiopia as sources of wealth, trade, and doubtless some form of banking had to have existed. Eratosthenes (ca. 200B.C.) indicates that Africa was called Libya and northern Libya was called LIBY THERIODES ('region of the wild beast'). The map made of this area shows, "The Ethiopians occupied a large part of Central Africa." [See The Original African Heritage Study Bible Felder edition, p. 104]. Just about all accounts about ancient trade and trade routes include Africa.

Nelson's locates the Sumerians in Sumer which is "the southern division of ancient Babylonia" found between the Tigris and Euphrates Rivers or the southern part of modern Iraq. They developed a civilization about 3000B.C. They are considered to be the developers of a type of Cuneiform script. (See

Nelson's, p. 1208). Miller provides a longer list of accomplishments:

This culture expressed itself in writing, language, law, religion, architecture, art, science (including mathematics and astronomy); engineering (for flood control and irrigation canals); military and civil administration.[p. 710]

As for describing Sumerian banking, Homoud says that it, "---carried on various kinds of banking activities which were begun by their sacred temples. The most noted was 'Le Temple Rouge d'Orouk'". [p. 17] Abraham migrated from the Sumer city included in the Bible - Ur(Gen.11:28,31; 15:7). Around 1720B.C., Hammurapi, king of Babylon, combined Sumer(southern Babylon division) with Akkad (nothern Babylon division) into a single powerful empire. Though conquered, the Sumerians, remained a cultural and intellectual force up until the Persians dominated the ancient world. [Nelson's, p. 1208]

The city of Babylon was built before 2300B.C. because it was destroyed by an invading king about this time. Genesis 10:10 mentions Babel(Hebrew for Babylon) as part of the empire of Nimrod. Under Hammurapi (approximately 1792-1750B.C.)the city became an independent kingdom.(See Nelson's, p. 148). Mould says of this part of the world, "As commercial mistress of the ancient world, Babylon was in a position to impress the ideals of business and social ethics reflected in the Hammurabi Code upon the world through her traders as well as her prestige." [Mould, pp. 69-70]. Among the most important discoveries about Babylon and Assyria in the 19th century A.D. has been the library of Ashurbanipal which was found by the archaeologist Hormuzd Rassam in 1854. Asshurbanipa ruled Assyria from 668 to 626 B.C. The library was built in his palace of Nineveh containing copies of epics, hymns, and ritual incantations from all the ancient temples of Babylonia, medical treatises, chronicles of the rulers, dictionaries, and treatises on grammar. Just about all types of Babylonian and Assyrian literature were included. (Mould, p. 70). Homoud says that historical documents indicate:

--- that the ancient Babylonians attained a relatively high degree of progress in the field of credit which necessitated the emergence of a kind of financing operation which also covered the agricultural sector. The English translation of text of one of these scripts shows that Warad Ilish, a farmer, had borrowed from the priestess of the temple a quantity of silver to finance his purchases of sesame and undertook to pay for the equivalent of the silver in sesame at the price current at the time of the harvest, to the holder of the document given by him in the form of a deed made to bearer. This means that the deed was negotiable and transferable.[Homoud, pp. 17 - 18]

In 586 B.C. the empire of now expanded Babylonia conquered Judah, destroyed Jerusalem, and made slaves of the Covenant People

of God. Jews became bankers and participated in banking during this period.[Nelson's, p. 910] This is when institutional banking was learned by Israel. Otherwise, "People protected their valuable possessions by burying them (Matt. 13:44; Luke 19:20) or depositing them in temples or palaces."[Nelson's, p.155] The Law of Hammurapi was believed to have been written in the 18th century B.C. or 300 years after Abraham and about 300 years before the events read in the books of Exodus, Leviticus, and Deuteronomy. It was developed out of necessity by Hammurapi after 1792B.C. upon becoming ruler of the empire of Babylonia. He expanded his borders so much that he had to establish laws for running his territory. Its focus was upon complex urban society as opposed to the simple Palestinian agricultural culture. However, there are remarkable parallels to be found with the Law revealed to Moses in the first five Old Testament books. Homoud calls the Hammurapi Code, "--the first legislative instrument of the banking business."[Homoud, p. 18] Homoud describes the Code further that it:

---contained a modification of the rules of obligations prevailing at that time and included some of the banking operations, such as interest - bearing loans and deposits.

Banking in those days was characterized by being related with the sacred temples, which, through their vast properties and permanent resources, not to mention the glory of sanctification and reverence, were ready to play this important role. The Babylonians regarded their sacred temples as the most appropriate places to keep their money not only to be protected from theft but also because of their confidence that the temples would render to them accurate and complete accounts of their deposits. Thus the sacred temples performed the role of the first deposit banks within the framework of the vast and ever-expanding field of banking. [Homoud, p. 18; American Institute of Banking, Principles of Bank Operations(NY:AIB, 1960), p. 3]

Nelson's summarizes the contents of the Code of Hammurapi as:

1. Various offenses and crimes, including false witness, sorcery, corrupt judgment, theft, and kidnapping.
2. Property, with special reference to crown, tenants, tenant farmers, and loans of money or seed. The king of Babylon owned crownland in the Old Babylonian period, as did the God of Israel. According to the code, land owned by the king could not be sold.
3. Commercial law, related to partnerships and agencies.
4. Marriage law, including dowry settlements, bridal gifts, divorce, and matrimonial offenses.
5. The firstborn, who had special rights and privileges (compare Deut. 15:19)
6. Special cases involving women and priestesses whose support was weakened by an increase in state and private ownership of land.

7. Adoption, as it relates to Genesis 17:17 - 18
8. Assault and damage to persons and property, including pregnant women, a surgeon's liability in an eye operation, and the hire of boats.
9. Agricultural work and offenses, including goring by an ox (compare Ex.21:28 - 32).
10. Rates and wages for seasonal workers, hire of beasts, carts and boats, and so forth.
11. An appendix concerning slaves, including their purchase and sale. [Nelson's, pp. 536 - 537]

The Code of Hammurapi and the Law of Moses relate because of the common cultural background of Babylonians and Israelites. They have common ancestors from the same area inheriting customs and laws. However:

Yet it should be noted that much is different in the Old Testament revelation. For example, the Law given at Mount Sinai reflects a unique and high view of the nature of God, and the Old Testament law is presented as an expression of His holy nature, as Leviticus 19:2 clearly shows. Also, when compared with the Code of Hammurapi, the Old Testament law is usually less harsh. [Nelson's, P.537]

Also, it was not until Mohammad wrote the Qur'an in the 7th century AD and could impose his teachings in 630 AD upon conquering Mecca that Deuteronomy 23: 19, 20 had a parallel Arabic ethical economic law that could meaningfully condemn usury. However, by then the strength of Deuteronomy 23: 19, 20 had become seriously weakened in the Judeo Christian world during the Dark Middle ages and as secular business became more and more powerful and independent in banking, trade, and other increasingly diverse secular business enterprises locally and internationally.

In Babylonian times Jews seem to have discovered that they had a talent for banking during their captivity:

During the Captivity the Israelites became familiar with Babylonian banking institutions. Some Jews even joined the banking industry and became prominent officers.

During the first and second centuries A.D. Egypt attained the highest stages of development in the art of banking in those times. (See Homoud, p. 18)

J.W. Gilbert in his **The History, Principles and Practice of Banking** indicates that the Greeks used their sacred temples for Banking too. They were pioneers for deposit banking seemed to monopolize this service. (See Gilbert, Vol.I, p. 12)

Financial activities during the fourth century B.C. were being carried out by each of the temples side by side with

public bodies and private companies which carried on the business of accepting deposits, giving loans, checking and exchanging money and making transfers between different cities to avoid the carrying of money. [Homoud, p. 18]

Banking was no exception to the wide range of apprenticeships the Romans had to the Greeks. This is the way Greek methods and influence spread throughout the Roman Empire and the ancient world. When the Roman Empire collapsed in 5th century A.D., so did the banking system.

The following describes banking during New Testament days:

Both the Jewish and Roman business worlds had organized banking systems. Under the early Greeks (and even much later), temples played the part of safe deposits, but in the early Roman Empire we also find regular banking establishments, sometimes owned by a number of partners. The function of such was first to arrange for the business of foreign exchanges, and second to enable people to make deposits and to draw upon them whenever necessary. Many persons entrusted all their capital to their bankers, and payment was made by manuscript cheques, for, of course there were as yet no printed ones. Bank accounts were kept very accurately and were regarded by Roman courts of law as good evidence in cases where such was needed. Although there were no State banks, except in Greece (where the practice by this time did prevail), bankers had to be licensed by the local authority. This would have applied as much in Jerusalem as in Rome. The **argentarius** or **shulchan** as he was called, was also entitled to lend money, and the Greek custom of using bills of exchange was also in vogue, so that a banker in Rome might receive a sum which had to be paid at Athens or Jerusalem, and then draw a bill to be paid in one of those cities by a banker on the spot. Slaves were allowed by law to act as bankers on their own account with their own savings, presumably only by permission of their masters, but in general a slave was only manager of a bank for his master. Rates of interest for loans were rather high. The Jewish law distinguished between what it called "increase", and "usury", and only allowed transactions of the latter character with Gentiles. Herod Agrippa borrowed a sum of 20,000 drachmas (say 800 to 1000[pounds]) from a Jew at Alexandria, on a bill of exchange to be paid in Italy, and the interest and commission on this was at the rate of $8\frac{1}{2}$ per cent; but in the main the influence of the Torah was against such business, and in the first century not many bankers were Jews. In Rome very high interest was charged at an early date, but later it was lowered, first to $8\frac{1}{2}$ per cent, then to 4 per cent, but this regulation did not endure, and soon we find monthly interest being charged at 1 per cent per month. During the first century A.D. it stood at 8 per cent. Extravagant and luxurious persons were, however, charged sometimes as much

compound interest. [Bouquet, *Everyday Life in New Testament Times*, pp. 133 - 134]

Homoud makes the following summary:

- (1) - The conditions for the rise and revival of banking were nearly similar: they prospered in a safe environment protected either by the sanctity of the temple or through the public security of the markets as they later developed under the Greeks.
- (2) - Banking predominantly took the form of services rendered, particularly when it was a monopoly of the sacred temples where funds were deposited not for investment but for safekeeping. Thus, according to this view, occasional loans were an exception to the rule which was based on keeping the money as a deposit which was refundable on demand.

The period lasting from the fall of Rome until the dawn of Islam was the darkest most corrupt and unsettled period in the known history of man. Hence the dawn of Islam removed darkness from the face of life and brought an environment of security and stability to the areas which came under the influence of Islam. [Homoud, pp. 18 - 19]

After looking around the world for a no interest banking system model of today, we found that our Abrahamic brothers, the Arabs had one developed in their Islamic religion. Let us now examine the unique historical process by which a counterpoint developed between the economic, the political, and religious life of a people ending in a workable, profitable, Islamic state.

Economic Lineage of Ishmael

Why Take A Look At Islam

Whether or not western bankers are really paying attention is too early to say but The Philadelphia Inquirer article mentioned reveals that Citibank is planning to become the first conventional Western bank to start a fully Islamic subsidiary offering services offshore in Bahrain. Also, PNC Bank, headquarters in Pittsburgh, Pa. but with many branches in Delaware and Pennsylvania, initiated "No Interest Loan Sweepstakes" from January 14, 1996 to February 24, 1996. Applications for loans or a line of credit were automatically entered into the "Interest-Free Loan Sweepstakes". A new winner was awarded each day during the dates indicated. The winning applicant would be awarded either an interestless loan or \$1500 cash. This program must have been a success because The News Journal of Delaware of March 10, 1996 showed an advertisement which announced an extension of the program until March 16, 1996.

More and more ads are appearing in newspapers which stress buying with delayed interest attractions of 3 months, one year, a commercial appeared on television during the summer of 1996 in San Francisco for zero interest on products from 1996 until 1998. 0% interest in the retail market seems to be growing in popularity. This marketing strategy by automobile dealers has helped jump start the U.S. economy after "9/11/01" into 2002.

The earliest Judeo Christian finances were controlled by Biblical laws found in the Torah especially Deuteronomy 23: 19, 20. But Christians interested in forming a truly authentic Christian banking structure have no contemporary Judeo Christian models to follow but can find examples of zero interest banking today in Islamic economics. Therefore, guidelines for anyone aiming to form a church banking system must come from two main sources in time (1) from the past - Deuteronomy 23: 19, 20, the Torah, the first Christian community, and the process by which our pre - Islamic Abrahamic brothers and Islamic Arabic brothers blended economics and religion effectively; (2) from the present - recognizing that there is a common concern between those of the Jewish, Christian, and Islamic religions today about the fair distribution of wealth, setting aside a certain percent of our wealth for the poor, and finding ways to empower the poor. Also, it seems that contemporary Islamic economics in theory and practice attempts to adhere to founding ethical and religious principles of Islam which reflect a vision which is parallel to the early Christian economic vision and life that needs restoring today. This motivates RHL to want to develop a shared economic and banking vision with our Islamic brothers.

Before a shared economic and banking vision can be realized with our Islamic brothers, the deepest purposes of Islamic economics must be discovered. The clues to such understanding can be found in the aspirations of Muhammad and the history of Arab peoples. Also, it is very important to take a closer overall look at the historical, religious, and economic process generated by the descendants of Ishmael to form the blend of religion and economics known as Islamic economics and banking. We need to know more about a monotheistic religious economic system that has survived in a world dominated by a western system that has been corrupted by greed. We need to know more about a religious system of another religion than Christian but whose ethical and social religious principles are not that different from our own. Islam has become a very effective and ethical enterprise system which deserves recognition. An effective religious ethical economic system model is needed for the Judeo Christian world today. Such a contemporary model can help encourage the restoring of similar ethical economic standards lying dormant today in the Old and New Testament but made feasible by our Arab brothers example to be a realizable goal for the coming millennium. Let us examine how our Islamic brothers evolved to such a system of high ethical standards so that RHL or any Christian organization could develop a shared vision with them - even a partnership vision perhaps.

Vision Clues Through The Historical Process

The earliest Christian Community expanded the scope of who a brother is from being an ethnic one in Deuteronomy 23:19, 20 to being a Gentile or Jew as long as they have accepted Christ as their savior.

The interest free model provided today by our Arabic brothers causes us to take another look at the genesis of the story of how the children of Ishmael created a successful marriage between religion and economics. By visiting once more the Abraham story, we can enter into understanding a part of the world that played a vital part in Biblical times and begin to replace a vital gap in our knowledge about another genesis that of the family of Abraham - Jewish and Arabic branches. The gap in knowledge which must be filled for Christians is about the Arabic branch. Not to do so will leave us to continue to be ignorant about the clues to the principles and purposes upon which no interest banking evolved and is practiced by those devout to the religion of Islam and Muslim economics. The Islamic story can give Christians encouragement especially as they attempt to convert the interest charging system of the west to the interest free system of the early Christian community yet updated to modern Christian times and needs just as Jesus did in His day.

This time let us start our quest for clues to the potential of a shared economic vision looking at the Ishmael aspect of the Abraham story from the Biblical and Qur'an perspectives.

The Arab world takes up the story about the birth of Ishmael (God hears) the outcast but first son of Abraham (father of a multitude) here including what they believe marks the establishment of Mecca too. It is that Mecca is where Abraham (Ibrahim) brought his wife, Hagar, and her baby Ishmael. He left them in an unlivable place. Nevertheless, divine intervention is supposed to have created the Zamzam well. The continuation of story is that:

---while the panic-stricken mother walked between Safa and Marwa in search of water to give her thirsty son, a stone (that is, a meteorite, which came to be called the Black Stone) hit the earth, causing the well of Zamzam to burst forth. Abraham later came back to build a bait (house) for his family, which came to be known as the Kaba. [Ibrahim, p. 35]

The location where this side of the Abrahmic family survived, with the help of God, was called Mecca and has caused it to become a place of sacredness for the Arab world ever since. Mecca draws people, "Thus, the Black Stone, the travel between Safa and Marwa, and the circumambulation around the Kaba were incorporated into rites of pilgrimage performed by those who came to Mecca." [Ibrahim p. 35]

The Old Testament picks up the story again where Hagar took her half Jewish and Arab son back to her ethnic and cultural roots arranging for Ishmael to marry an Egyptian wife (Gen. 21:14 - 21). This marriage was fruitful and Ishmael became the father of the Ishmaelites, a northern Arabian nation of nomads.

It is important to spot light now the Biblical and Islamic link facilitated by the fact that the use of the name of Ishmael came to identify all Arabian merchants (Is. 13:20; Ezek. 27:20, 21). Joseph was sold by his brothers to some caravan traders who were "a company of Ishmaelites" (Gen. 37:25) as well as "Midianite" traders (37:28) thought to possibly be a small clan from the larger Ismaelite tribe. Muhammad has claimed Ishmael to be his ancestor along with all Arabs up to modern times.

Abraham (Ibrahim) is a biblical figure who next to Moses is the most frequently mentioned in the Qur'an. He is given a place in twenty-five surahs; one surah and the fourteenth bear his name. In the first surahs from Mecca, Abraham fights against idolatry of his father and his contemporaries. He is designated to be the spokesman of the truth and great prophet. Later surahs from Medina feature Ishmael, the father of the Arabs. He supports his father Abraham efforts to make the Kaba in Mecca. The Arabs consider Abraham to be neither a Jew or Christian but a hanif dedicated (to God) or in the Qur'an this is identical to a Muslim or monotheist. They credit him to be:

Abraham, chosen by God, was the first to be converted to the one true God and to turn against all worship of idols. He was the first to practice Islam, unconditional subjection to the will of God, especially when he embarked on the sacrifice of his own son (Isaac's name is not mentioned at this point; traditional Islamic exegesis thinks of Ismael). [Kung, p. 13]

Muhammad began to fall into trances and hear voices at about the age of forty. At that time he recognized the visitations from the angel Gabriel, who instructed him in obedience to the will of Allah.

Under the impulsion of these experiences, Mohammed[different spelling by western authors] began to preach the unity and omnipotence of Allah, the impending day of judgment, and the necessity of complete obedience to Allah's will. He summed up his message under the rubric "Islam", that is "submission" to Allah. Prayers five times daily, alms-giving, pilgrimage to Mecca at least once in a lifetime, abstention from wine and pork, and a month-long fast from sun-up to sun-set every year were the principal obligations Mohammed imposed upon the faithful. Obedience to Allah, the Prophet, whereas idolaters and other wicked men were destined to suffer eternal fiery torment. Bodily resurrection on the Last Day was another point upon which Mohammed put much emphasis. [McNeill, pp. 204 - 205]

The month of Ramadan is given as the time of the year when the Qur'an was revealed. Ramadan is the ninth month of the Muhammadan year. The Muhammadan year is a lunar one which begins at the approximate new moon. The initial start of that year is believed to be Friday, July 16 A.D. 622. Each year Ramadan is celebrated during the month of February 1 and fasting is practiced daily from dawn to sunset. It gives:

---guidance to men and clear proofs of the guidance and the Criterion. So whoever of you is present in the month, he shall fast therein, and whoever is sick or on a journey, (he shall fast) a (like) number of other days. Allah desires ease for you, and (He desires) that you should complete the number and that you should exalt the greatness of Allah for having guided you and that you may give thanks. [The Holy Qur'an, pp. 76-77]

Although Qur'an is usually used, the full name of the Sacred Book of the Muslims is Al-Qur'an. Qur'an is:

---an infinitive noun from the root gara'a meaning, primarily, he collected things together, and also, he read or recited; and the Book is so called both because it is a collection of the best religious teachings and because it is a Book that is or should be read.

[Introduction, Holy Qur'an, p. i]

Abraham, chosen by God, was the first to be converted to the one true God and to turn against all worship of idols. He was the first to practice Islam, unconditional subjection to the will of God, especially when he embarked on the sacrifice of his own son (Isaac's name is not mentioned at this point; traditional Islamic exegesis thinks of Ismael). [Kung, p. 13]

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[Introduction, Holy Qur'an, p. i]

The Qur'an explains how it comes into existence:

It is plainly stated to be a revelation from the Lord of the worlds (26:192), or a revelation from Allah, the Mighty, the Wise (39:1, wrx.), and so on. It was sent down to the Prophet Muhammad (47:2), having been revealed to his heart came to the Prophet in the month of Ramadan (2:185), on the 25th or 27th night ---. [Holy Qur'an, p. 1, 76]

Islamic economics emerged from the Qur'an which blended with and impacted upon the main way for the Arab to make a living - being a trader of commodities. How that happened makes a critical story too for review in order to begin to understand and appreciate Islam where religion and trade grew strength from each other by growing closer together and blending efforts sometimes in war other times peacefully, sometimes through power politics and other times with cunning, but finally with the dominance of Muhammad and his teachings at Mecca and throughout the Arab world.

What helps an understanding of such religious and trading polyphony comes from looking at how the Arab merchant class and Islam developed somewhat separately first, found a common home, and then lived together satisfying a mutual need.

The story involves the merchant class, Mecca, the Qur'an and Muhammad interacting in a historical process which has led to the Islamic banking model operating today upon which a future Christian interest free banking system can gain beneficial information and a modern practical example of no interest banking services.

Not only are the Arabs related to Jews through the blood lines of Abraham but the ancient Arabic influences and acculturation happenings have been undeniably definitive upon the Hebrews and messianic Jews living in the majority Arab world as neighbors, captives, slaves, business associates, philosophers, creators of laws, religion and culture in general.

David had a stranger(foreign) lineage. Boaz sees heroism in Ruth, the Moabite. Because she dedicated herself to the uncovenanted kindness of foreigners. He admires the wisdom and faith which brought her to take refuge under the protection of Jehovah, the True God, the one God of Israel. Ruth prostrates herself before Boaz after he invites her to "--abide here fast by my maidens-".[Ruth 2:8] She replies:

10 Then she fell on her face, and bowed herself to the ground, and said unto him, Why have I found grace in thine eyes, that thou shouldest take knowledge of me, seeing I am a stranger? [Ruth 2:10]

Boaz marries Ruth, the Moabite of mixed ethnic heritage and

this led to the birth of Obed. Obed fathered Jesse, who became the father of David. This means that David came from a mixed heritage as well as Jesus. (Ruth 2:6;4:13-22; Matt. 1:5 - 16)

Although the Old Testament is full of warnings against allowing foreigners to cause Israelites to stray from their religion, the door is left open for strangers of good character, whom God seems to be preserving, and who wish to become believers of the one and only God of Israel. Among the prophecies about a glorious future, foreigners who are willing to worship the True God are to be given an honored status(Is.56:3-8)

Examining the Arab merchant class and their religion gives us an example of business and religion working together for profit but under a religious and ethical discipline which could fight corruption better together in marriage than in the west with its very long divorce between business and religion. Finally, and perhaps more importantly this part of the study helps give more depth of understanding to the development of a major real world influence that contributed to the environment which contributed to the formation of early Hebrew economics, in turn early Christian economics, and potentially can provide a model for a church banking system today.

Between A.D.600 and 661, Islam was founded in Mecca and Arab society changed rapidly. But what led to the formation of one of the major religions and economic systems of the world in Mecca?

At the beginning Mecca could not enjoy an agricultural trade surplus for merchant capital like Yemen because it was a barren valley. It still had a profitable alternative. For centuries, Mecca served as a point to stop for caravans heading for Hijaz, north and northeast to Syria and Iraq or to Yemen in the south. Qur'anic verse (Saba 34:18) implies that Mecca had a commercial role with Yemen while the Sabaeans were blessed to have a religious center where merchants could renew themselves spiritually on their way. Nevertheless:

Mecca had neither an agricultural surplus nor any commodity production of which it could boast. It had, however, one commodity that was very much sought after: water, provided by the water well Zamzam. [Ibrahim, p. 34]

Water is so valuable in this arid environment that it has a special significance.

Water was so dear in that environment that the territory around Mecca was held to be sacred; thus a haram area grew with a sacred enclave called the Kaba. Because it was sacred, life and property were secure within the confines of the sacred area, making Mecca a natural place for pilgrims and merchants to find a haven and to exchange commodities with each other. [Ibrahim, p. 34]

As a result, merchants changed Mecca from being a rather unimportant settlement into becoming a powerful western Arabian center economically and politically.

---this process was accomplished by enhancing the religious value of the sacred center, which made religious, political, and economic growth part of the same development.
[Ibrahim, p. 35]

Mecca was considered to be a sacred place for centuries before Islam came into existence. Therefore, Mecca became known as the place of safety and rest for trade caravans due to the belief in the haram institution. It offered an opportunity and place for exchanging commodities permitting merchant capital to be amassed.

What is merchant capital? How does it work in Mecca?

Merchant capital is that fraction of capital that is generated purely through exchange, whether merchants controlled the means of production, as in Yemen, or not, as in Mecca. It is the earliest form of capital and "appears to perform the function par excellence of capital." Merchant capital in the Meccan context also meant power - political power in the sense that merchants harnessed their wealth in the mobilization of force to influence the course of events and social relations in a manner to suit their interests. [Ibrahim, p. 5]

Pre - Islamic Arabia

Arabians were socially and economically diversified and had many life-styles: nomadic, pastoral, and settled. Arab societies were socially structured to include slaves, serfs, peasants, artisans, merchants, and landlords. An agricultural surplus was produced in Yemen, Omar, Bahrain, Najd, and in many of the scattered oases in the interior. Yemen, with the most rainfall, produced the largest surplus, which allowed for human settlements and encouraged state formation earlier than in other regions. This surplus was based on agricultural production (of frankincense, myrrh, wheat, vine, dyes, and spices) and animal husbandry (cattle, sheep, and camels). Enough surplus facilitated the rise of a cottage industry for the production of such commodities as leather goods, metal products, cloth, perfumes, and other aromatics. This surplus was exchanged in local and international markets, where the location of Yemen, near the mainland and sea trading routes, facilitated the rise of merchant capital and helped nurture a merchant class. [Ibrahim, p.12]

Land provided the basis for wealth and power in ancient Arabia. Slowly emerging from this condition grew states where surpluses were produced, collected, and distributed

Those states remained in the hands of the landowners, who extracted the surplus from the producing classes, slaves, serfs, peasants, and artisans through taxation and rent. These landlords grouped themselves around royal families and temple officials (who were landowners themselves) and constructed an institutional framework that allowed them to perpetuate their monopoly of the governing institutions, whether civil or religious and of the wealth and resources of the area. Furthermore, these landowners, royal families, religious officials, and tribal chiefs participated (either directly or through agents) in the exchange of this surplus. It was this wealthy class and its agents who formed the embryo of the Arabian merchant class. The organic link between political control and commerce closely associated the development of merchant capital with the development. [Ibrahim, pp. 12 - 13].

From the beginning, there were many ancient southern Arabian states that could be considered to have been "surplus-producing regions" which included very important Arabian ports. Yemeni states often did control several islands considered strategic ones at the mouth of the Red Sea, Socotra Island, and opposite portions to the coast of Somalia. Also, commercial linkages with northern neighbors were aided by establishing colonies in the Hijaz (like Dedan) and in southern Jordan (Ma'an) among additional Arabian peninsula interior areas. Such diversity of land also involved different life-styles from the highlands

61

settled communities to isolated oases and steppes where it is only possible to have a pastoral or nomadic life-style.

By pointing out the opposite portions the coast of Somalia, Ibrahim(see p. 13) involves Africa as part of the geographical and ethnic diversity included in the control of ancient Southern Arabian Yemeni states. Somalia is a semi arid land located at the Horn of Africa, east of Ethiopia and Kenya. The relationship between Yemen and Ethiopia is found in a discussion about sun god worship:

Sun god worship was practiced in ancient Egypt and South Arabia (Yemen). These ancient people of Yemen called Sabaeans, a Cushitic, Semitic people, migrated across the Red Sea to the south of Axum, taking with them their sun-god worship (as well as moon worship) and their culture.

Sun worship was widely practiced up to the reign of the Queen of Sheba during the era of King Solomon, the wisest and most gifted man of her time.[Felder, p. 937]

Felder then indicates when the one True God is revealed in this part of the world:

The worship of the True God was officially introduced during the reign of Makeda (Sheba). In the northern part of Ethiopia a thousand years before Christ, Makeda, the young virgin queen, lived in the Virgin Land (Ethiopia). The capital of her kingdom was Axum. A very powerful queen, she reigned over parts of Southern Arabia in Sabaea (Sheba) and because of this was titled Queen of Axum and Sheba.[Felder, p. 937]

Ibrahim adds:

The most important port in this area, ---was Adin (Eudamon Arabia) which belonged to the Sabaeans, allies to Qataban. Aden was the only safe and shoal - free harbor between Egypt and India, which made it the principal anchor and meeting point for the east-west trade, especially prior to Hippazus's discovery of the pattern of the monsoon winds. [Ibrahim, p. 18]

Felder has been referring to the Kebra Hegast(The Glory of the Ethiopian Kings) for his documentation. He continues by reporting a revealing picture of economic diversity that expands Ibrahim's statement even more clearly. Felder shows the influence of Solomon at this ancient time too:

---during Makeda's reign, Ethiopia was famous for her vast export/import trade with nations throughout the known world. Ethiopia's chief exports were gold and silver, which were handled by many merchants in the country and particularly in the Kingdom of Axum. Among the best known merchants was

Tamrin, a man of high qualifications who managed the queen's trading transactions. Tamrin was extremely wealthy. He possessed 520 camels and 73 ships and trafficked for the queen by sea and by land and in India. At that time King Solomon of Jerusalem was building the Temple of God and his navy was navigating the Red Sea coast in search of gold in Ophir and wood for pillars of the Temple and for his own palace. Solomon, upon hearing of this popular merchant brought to Jerusalem gold, precious stones and blackwood from Ethiopia. [Felder, p. 938]

Through such positive trade and multicultural experiences with foreigners, Solomon had to agree with his father David, "The Lord preserveth the strangers---". [Psalm 146: 8]

Of course, Tamrin reported back to Queen Sheba about the great wealth and wisdom of Solomon. He added that Solomon was building a great temple for which he traded and supplied materials. The virgin queen was attracted to Solomon by what she heard and decided she had to see for herself who and what Solomon was. He turned out to have been everything she was told and more. She gave herself to Solomon staying in Jerusalem for six months. This led to the birth of Menelike I during her journey back home. Upon returning, "---she condemned the sungod worship as well as other types of worship for the True God of King Solomon of Israel." [Felder, p. 938]

Ma'in and Saba' were the earliest states in Yemen. Ma'in was founded in the first millennium B.C. upon the richly endowed land between Majran and Hadramawt. Plenty of rainfall made the Ma'in farmers to have streams and wadis that flowed down from the High mountains. Frankincense became the major crop which was an aromatic plant required mostly for all official and religious ceremonies worldwide. It was exported directly to Egypt, Syria, and Mesopotamia. Different parts of the Mediterranean basin have Ma'in inscriptions such as Delos, Dedan, and Giza. Further, "--an Egyptian priest who imported frankincense from Yemen in exchange for Egyptian linen was in fact originally from Ma'in." [Ibrahim, p. 14]

The inscriptions reveal that the land was ruled by a king assisted by a variety of officials, representatives, provincial governors, tribal chiefs who might call themselves kings too, and the military. The encryptions indicate:

--that some of the activities of this hereditary king included the issuing of decrees, the construction of public buildings, the servicing of the temple, and the leading of military expeditions. Important decisions were made by the king after he consulted with members of the royal family, temple officials, city heads, and tribal chiefs. Taxation and land rent provided state revenues. Taxes were collected from merchants, farmers, and artisans, and rent was collected from the peasants who leased lands from the royal land

holdings. Sanctioned officials such as city heads, governors and tribal chiefs, were responsible for the collection of taxes in their respective areas. They usually kept their share of the taxes before they forwarded the balance to the treasury. [Ibrahim p. 14]

Each province of the kingdom had a governor called a kabir. Cities had "a government, a governing council, a god, a temple and a religious hierarchy. The central role of the temple in the ancient world emerges in this account of the temple of Ma'in:

Next to the king, the temple was the richest institution, by virtue of landownership, its tax-collection privilege access to unpaid labor, and the gifts and offerings of individuals on special occasions, such as after a good harvest, a successful caravan, recovery from illness, defeat of an enemy, or construction of a building or a dam. Thus, the common interest between large landowners resulted in a kind of alliance by which the production, collection, and distribution of the surplus was accomplished. This alliance was instrumental in keeping the balance of power in their favor and was the basis for their continued monopoly of the governing institutions, even if the dynasty or the center of power had changed." (Ibrahim, p. 15]

The kingdom of Saba' was similar to Ma'in in the way it governed and social structure even after Ma'in had disappeared centuries before. Unfortunately the date establishing Saba' is not certain. There is little evidence about states like Hadramawt bu Shabwa is known to have had sixty temples making a powerful impact economically and politically.

Qataban focused upon the flow of trade between the capital of Tamna and the port cities on the Red Sea. The fact that Qataban was located in the leading agriculture area of southern Arabia fueled her wealth. Qataban sought the connection to the ports of the Arabian Sea such as Cana and what is called now Hisn al-Ghurab.

The two ports eventually came under their control. Ships from Cana could sail from Qataban to the rest of the Arabian ports as well as to India and the southern coast of Persia. Ships returning from India anchored there so that merchants could trade with the king's agents such commodities as cloth, wheat, and sesame oil in exchange for frankincense. [Ibrahim, p. 17]

A greater variety of commodities began to be exchanged in the most powerful state of all starting in ca 115 B.C., the first Himyarite state, based in the inland city of Zafar. Periplus of the Erythrean Sea list the following:

The merchandise imported there consists of purple cloth, both fine and coarse clothing in the Arabian style, with sleeves; plain, ordinary, embroidered or interwoven with gold; saffron, sweet rush, muslim, cloaks, blankets (not many), some plain and others made in the local fashion, sashes of different colors, fragrant ointments in moderate quantity wine and wheat, not much. For the country produces grain in moderate amount, and a great deal of wine". Aden also passes under Himyarite suzerainty and, naturally, played an important role in their commences.
[Ibrahim, p. 19]

Once again the temple in the state of Himyarite was only second to the king of the state as a landowner. Also:

Sacred areas and holy months were also known in southern Arabia. -- the frankincense harvest had to be brought to the temple so that the tithes could be collected before the rest of the harvest was distributed, In this manner, the temple must also have played a sensitive role in the commerce of the region. [Ibrahim, p. 19]

Therefore, the merchant class was supported by the top of the social pyramid: royal families, landowners, tribal chiefs plus religious officials. This was possible because the top of the social pyramid controlled the production, collection, and distribution of surplus wealth. At the bottom and base of the social pyramid was the rest of the population - the peasants, artisans, slaves, and tribes people. They functioned as follows:

Peasants worked collectively on the land to which they were bound. And although they were sometimes paid for their labor in the form of fixed shares of the produce, the slaves often received nothing except their food and shelter. In addition, both groups were required to work on temple land without pay as their religious duty. The state also relied on corvee labor to carry out larger projects such as the maintenance and repair of dams, fortresses, and roads.
[Ibrahim, p. 20]

Therefore, Himyarite society was divided :

--into the [aristocracy], a council of elders, the gayels (intermediary tribal chiefs who were recruited to the landowning class by virtue of land grants) and "the rest of the population". The same division existed in other major cities such as Najran, Nash, and Shibam.--this division was very much the same as that which obtained in the Greco-Roman world. [Ibrahim, p. 20]

The second Himjarite state began A.D. 300 - 600 and the ruling classes are more able to regenerate themselves through economic controls than ever before. The first state declined about 300 A.D. probably because of the decline in demand for

frankincense which lessened as Christianity spread. Also, there was growing competition caused by the Romans who made their presence felt in the Arabian Sea subsequent to a failed seaborne expedition of Aelius Gallus sent from Rome to control southern Arabia in 24 B.C.. This expedition removed any obstacle to consolidating the first Himjarite state.

However, frankincense was slow but steadily substituted by cotton and cloth. Cotton, flax, wool, and silk were woven into cloth and became the new major sources of trade. Arabia gained a reputation for wool exports but imported silk from China in exchange for frankincense. The exact date cotton and flax was introduced to Yemen is not known but 500 A.D. is a date certain when Najran and other Yemen cities plus eastern Arabia established their reputations for being cloth - producing centers. Ibrahim sees the importance of Mecca:

By then cloth and leather became the major economic base of Yemen as exports to other parts of Arabia. More important, Yemeni cloth was the basis for Mecca's later prosperity. And by A.D. 630 (A.H. 8) Najran produced an enormous amount of cloth, as attested by its treaty with the ascendant Mecca, as we shall see later. [Ibrahim, p. 22]

Therefore, after a century of no growth economically and politically a resurgence took place as agricultural products became replaced by cloth production:

The social, political, and economic structure found in previous states continued to exist, but during this period there occurred a gradual shift toward monotheism in the form of Christianity and later Judaism. An inscription [Glaser 389] dated to the middle of the fourth century A.D. had already dropped al-Maqah in favor of the "god of the heavens" Christianization of the Tubba' dynasty and the construction of churches in cities like Zafar and Aden were the fruits of the work of Theophilus, who was sent there as a missionary by Constantine II Conversion to a monotheistic religion is significant, since it could better serve the purposes of the state than the multiplicity of religious traditions. [Ibrahim, p. 22]

Even so, the other gods still remained making monotheism just an add on to religious tradition..

The change from an agricultural economic base to a commodities producing society caused the second Himjarite state to launch a very aggressive expansion campaign for new markets:

---expeditions led by Nashir al-Ni'am and his son Hassan, are no more than legends. They are said to have led expeditions to northern Africa, Mesopotamia, and Central Asia. They were and credited with founding such cities as Samargand and Hira. The theme of Himjarite expansion is

often repeated in different periods of the history of the state.

Actual expeditions, however, are recorded on numerous inscriptions commemorating the activities of the kings. Several expeditions were carried out in the Tihama-Asir region, where the cities of Najran, San'a, and Sa'da were more vital in the commercial activity of the Yemeni merchants.[Ibrahim, p. 23]

Muhammad made great demands from the city of Hajran because it was a very important trade center.

---since it was the terminal point of a trade route that connected it with the Persian Gulf. It also received trade caravans from Hadramawt and Ma'rib. Another trade route came from the ports of the Red Sea via Sa'da. Moreover, Najran was connected with Aden through San'a and with Syria through Mecca. Najran was an important production center of leather and cloth. At the time of the expansion of the Islamic state, Muhammad demanded from the inhabitants of Najran, as one of the terms of a treaty, two thousand Hillas (a collection of garments). One hilla consisted of a shirt, a rida (an outer garment), an 'amama (a turban), and an izar (a sash). Two thousand hillas as part of their annual tribute indicate the importance of cloth production in Najran by the early seventh century A.D..[Ibrahim, pp. 23 - 24]

Sa'd was located in the middle of garz fields, a dye for the tanning process. It was where the rich and merchants liked to gather. Leather was very important industry for Sa'da through the Middle Ages. Its hides, shoes, and sandals had a well known reputation. The Madhhij tribe was one of the tribes living in the city which specialized in leather goods production.

An even more important city than Majran became San'a because it became the seat of royalty and thus being the capital of the Himjarite states. It was located in the center of dye fields called wars which was vital for the cloth industry.

Certain goods became tax exempt in Muslim states: cotton, wars, saffron, henna, and other plants used for cloth production.

Such exemption should have encouraged the production of those plants, to the benefit of the cloth industry. Again, at the time of the Islamic expansion, San'a's cloth production was important was enough to prompt Mu'adhibn Jabal, Muhammad's governor, to demand the tribute in the form of cloth instead of corn and barley. Mu'adh argued that payment in cloth "will be easy on the Yemens and will be more beneficial for the Muhajirun in Medina, indicating cloth's abundance in Yemen and its commercial value in Medina. [Ibrahim, p. 24]

The Himyanites successful spread there control over Arabia in search of markets by many ways including marriage alliances, migrations, and by naked military force. However, it seems that beside merchant interests, social and political control did not develop permanently for the Himyanites. It was only limited and temporary usually. Interior tribal groups were never really under the control of the state:

In central Arabia, for example, the Kinda suffered a major tax rebellion at the hands of the Banu Asad. This rebellion precipitated the break up of the Kinda and led to the loss of Himyarite influence in the region. The vacuum created by the absence of the Kinda and the Himyarites was gradually filled by the rising power of Hira. The leitmotif of the flow and ebb of state power, conditioned by its material base, provided a chance for many groups and cities, such as Mecca, to pursue their own political and economic interests.[Ibrahim, pp. 25 - 26]

But expansion strengthened and unified the merchant class and provided the basis for a larger Arabian merchant class or political unit. Additional unity became possible through Himyarite state expansion for integrating nomadic groups by coercion, by jobs in garrisons, or as guards for merchant caravans. Of equal importance was the recruiting of tribal chiefs into the merchant class through rewards they received for services rendered to the state and to the merchants.

All Yemeni states had weaknesses including the strongest one - Himyar. This caused not only unstable political growth for each state but the merchant class who depended on the protection of the stated suffered severe set backs. One of the greatest shortcomings was due to the fact that upward mobility economically and socially was not available to most members of society: slaves, serfs, peasants. or farmers who worked the land. Power existed only in civil and religious control of the landowners.

We must remember that even the most profitable crop - frankincense was a privilege of inheritance to cultivate.

Another weakness, beside the uncertain growth of mercantile interests, appeared to be the lack of an ideology flexible enough to act as the glue for a social fabric especially in times of diversity;

The ideology of the states in Arabia was intractably constructed for the benefit of the landowners, the ruling class. This resulted, if not in the separation of the social classes, in the indifference of the larger sector of the population to the welfare of the state and its institutions and discouraged upward social and economic mobility. In such conditions, the governing class had little contact with the producing classes except in relations of

exploitation. It is not surprising, then, to find constant reference to social strife in the form of uprisings, revolts, and punitive expeditions.[Ibrahim, pp. 26 -27]

As far as religion being a customarily unifying force for society, this did not happen either. Even monotheistic symbols in the fourth century A.D. could not produce religious uniformity because each city maintained its own god and religious hierarchy. The state was too fragmented to force an adoption of any one religion.

By the final two decades of the fifth century A.D., the second Himyarite state began to disintegrate, "Because the economic structure changed with only little modification to the social structure." [Ibrahim, p. 27] Various political claims to the throne helped accelerate disintegration from the center. Crises from within was politically devastating and encouraged rebellion from far regions where tribal groups acted on their own and threatened the economy with chaos and disaster including to the plans and actions of merchants.

This state of chaos continued into the first two decades of the sixth century. This emboldens the Abyssians or Ethiopians to increase their influence in Arabia. Ibrahim gives a picture of constant power shifting at this time and it:

---gave the Abyssinians the opportunity to renew their political and economic interests in the region. Prior to their arrival, a certain Lakhni'ah Dhe Shanatir, who was from a "house without any royal claim", usurped power and killed the reigning king, Ya'fur, who himself had just defeated other claimants to the throne, including his own brother. Dhu Shanatir was not able to contain the situation, however, and the civil war continued. Another claimant, Dhu Nuwwas, killed Dhu Shanatir and proclaimed himself king. Dhu Nuwwas converted to Judaism and proceeded to attack the cloth-producing center of Najran with its large Christian population (ca. A.D. 523).

This persecution prompted the archbishop of Najran, Dhu Tha'laban, to seek help from Christian Abyssinia. The insistence of Dhu Tha'laban, the persecution of the Christians, and the long-standing economic interests of the Abyssinians in Yemen provided sufficient grounds for Abyssinian intervention. Consequently, by A.D. 525, Abyssinian troops led by Abraha intervened and occupied southern Arabia once more. Leaders of important Himyarite families, such as Dhu Hamden, Dhu Mu'hir, and Dau Dhubyan, sided with Dhu Tha'laban and welcomed the invading army. With their cooperation, Abraha was able to defeat Dhu Nuwwas and a new Himyarite king, al-Sumaifa Ashwa, was installed to rule in the name of the negus (king) of Abyssinia. [Ibrahim, pp. 27-28]

Just as the Roman Catholic church gained power as the Roman Empire disintegrated from within and by the raids of the Huns and other tribes on its frontiers so did Mecca in parallel history begin to take over as a rising power in this part of the world.

Due to the turmoil in Yemen, Mecca and its religious center, the Kaba could compete as merchants with the Yemenite merchants. They gained in experience and power. This caused Abraha to try and counter the Mecca attraction by building a rival sacred center, the Qullais in Najran (or in Sana) hoping to draw away merchant-pilgrims from Mecca back to Yemen. Abraha failed:

--the Qullais could not match the Kaba, and the merchant-pilgrims preferred the Meccan sanctuary. Abraha finally decided to attack Mecca and sack its Kaba, but his army fell apart before he could accomplish his task. This event -----is known in Muslim annals as the Year of the Elephant. [Ibrahim, p. 29] The year 570 A.D.

The Abyssinians were attacked and forced to leave Yemen by the navy of Sasanid in A.D. 575. Sasanid had the support of the Yemen's ruling class and showed interest in all of Arabia particularly Yemen. But by the time this happened, "Yemen no longer played an active role in the politics of the region, and Mecca was well on its way to becoming the major economic, religious, and political center in Arabia." [Ibrahim, pp. 29-30] However, before Mecca became the strongest center in Arabia, it had to face Hira of the north. Hira become stronger and stronger as a political and economic center at the expense of Yemen.

It was located in southern Iraq, on the western bank of the Euprates, and it was well connected with the trade routes reaching the Mediterranean through Syria, the Persian Gulf, and central and eastern Arabia. Aside from this strategic location, Hira was close to the fertile areas of the Sawad in Iraq. [Ibrahim, p. 30]

Hira was a client state of the Sasanids receiving great land grants in Iraq. Hira attracted merchants because of its efforts to obtain trade routes and markets facilitating the development of capital. Hira became an important center reflecting three cultures: Arab, Byzantine, and Sasanid:

Hira represented in many ways, an advanced stage in the development of political and cultural institutions in Arabian society. It was able to integrate many tribes within its fold and thus to spread its influence more visibly and concretely than was Himyar over a larger portion of the Arabian peninsula. Hira mobilized a greater number of forces, even to the extent of involving them in the imperial wars of the Sasanid/Byzantine conflict. Yet despite Hira's greatness, it was easily swept aside by Mecca in

Hira lost her strength caught by constant conflicts between the Sasanids and Byzantines. Attempts to revive Hira failed and the state and its institutions obviously needed change and Mecca provided that change successfully.

By placing pre-Islamic Arabia in a social, economic, and political historical context we discover the clues to the historical legacy of Islam:

1. The form that political authority took in Arabia was in the form of state institutions. These states took turns controlling the largest part of the Arabian peninsula. Whether the inhabitants were settlers or nomadic, they were integrated into the state even though such integration constantly varied in duration and number.
2. Arabia moved from being a commercial depot and way station in the ancient world"---since it produced the surplus that became the basis for the participation of its merchants in international commerce. [Ibrahim, p. 32] Its capitals were interior and not along the coast. Consequently the "nucleus of the merchant class" consisted of royal families, temple officials, and tribal chiefs by virtue of their control of the land and its surplus--". [Ibrahim, p. 32] Therefore, the merchant class had their trade caravans safeguarded and markets secured inside and outside of Arabia by the state.
3. It took a long and continuous historical process for merchant capital to develop seeing the rise and fall of many states. As one state declined another one would take its place.

Himyar and Hira began to decline together by the middle of the fifth century A.D. This decline, simultaneous with the decline of the Roman and Sasanid [Persia] worlds, was due primarily to their inability to ensure the constant transformation of their social and political structure. This allowed Mecca to emerge and to develop as an alternative center built on the institutional experience of its predecessors, but with new institutions of its own.
[Ibrahim, pp. 32 - 33]

4. During the sixth century A.D. Mecca grew commercially while Islam emerged leading Mecca into dominance commercially, as a state, and religiously.
5. Specifically, Mecca became the dominant state because:
 - a. Mecca's role in the commerce of Yemen is implied in the Qur'ani verse (Saba 34:18) that says that the Sabaeans were blessed by having a sacred center where their merchants could find succor on their journeys. Mecca had neither an agricultural surplus nor any commodity production of which it could boast. It had, however, one commodity that was very much sought after:

water, provided by the water well Zamzam
[Ibrahim, p. 34]

- b. Water was so important to the territory that territory around Mecca was considered to be sacred. This caused a haram area to grow with a Kaba or sacred enclave:

Because it was sacred, life and property were secure within the confines of the sacred area, making Mecca a natural place for pilgrims and merchants to find a haven and to exchange commodities with each other. These came to Mecca during the four sacred months of the year when it was understood that an individual or a group could travel with immunity from attack. [Ibrahim, p. 34]

- c. Meccan merchants did not have their own surplus and accumulate capital through trade only by the establishment of the haram - exchange was the origin of their merchant capital.
- d. Muhammad as leader of Mecca became the dominant religious and economic leader of the Arab world

Muhammad started his career as a prophet at age forty. Suras of the Qur'an are full of his displeasure at the state of affairs in Mecca. Meccans were asked to moderate their social relations, especially those with the poor, the orphans, the widows, and all those who were weak and in need of aid. Wealth might have been the "pleasure of this world," but wealth based on the deprivation of a sizable sector of the society would be meaningless once the individual was called to account before God. Such deprivation was not economically sound, as has been pointed out. The widening gap between the rich and the poor not only created social tension, but required merchants to give up more of their wealth. They were asked to make their wealth more mobile by distributing it, not by accumulating excessively.--Sura 111 says, "His wealth will be of no use to him and will [earn him] no profit [on the Day of Judgment]." Sura 102 notes, "Accumulation prepossessed you, until you reached the graveyards." Although at this time Muhammad did not specify the means of distribution, other than sadaga, increasingly referred to as zakat [wealth tax for the poor], it is significant that he based the requirement on the individual's accountability before God, thus placing the necessity for distribution in the realm of religious responsibility as distinguished from that of traditional tribal responsibility.
[Ibrahim, p. 82]

PART III

The Macro/Micro History Lesson

The Usury Gap - Macro Perspective

Cues have been revealed which can help Christians understand how Islam came into being. Also, it is hoped that by understanding history it can be shown what happened between Jews, Christians, and Arab in order to fully appreciate the bridge between our Christian vision and the Islamic vision viewing ethical distribution economics and a comprehensive program helping the poor. After providing the cues for such a bridge, let us now take a closer look at modern Islamic economic theory now to see the kind of thought that provides the background for actual Islamic banking services available today.

The Partnership Bridge

A detailed Islamic - Judeo Christian economic comparison could be made but time and space will not permit such an analysis in this paper. However briefly we can say that what is most significantly similar is the conviction that God is the absolute owner of the land and all that man produces. God made both the land and man. Therefore, man can only be a subordinate, secondary owner of anything he has - talents, ideas, or material possessions. Consequently, anything man accomplishes has to be done in partnership with God. Private ownership is never absolute because God can be the only absolute owner. Also, any business deal respecting God's ownership can be done only as a partnership contract respecting the laws given by God. The religions of Judaism, Christianity, and Islam find common ground by considering God to be the senior partner in their efforts spiritual, ethical, economic or any other aspect of living.

The Bible reveals that God acted first with profound gifts and then calls upon his people to respond. He created man in his image and expects man in turn to reflect Him just as we expect a mirror to reflect our image. God took a risk when he allowed man to become his earthly partner acting in the behalf of man several times in the Old Testament but especially when he freed his chosen people from slavery in Egypt. After doing that He said to them:

4. Ye have seen what I did unto the Egyptians, and how I bare you on eagles' wings, and brought you unto myself.
5. Now therefore, if ye will obey my voice indeed, and keep my covenant, then ye shall be a peculiar treasure unto me above all people: for all the earth is mine:
6. And ye shall be unto me a kingdom of priests, and an holy nation. These are the words which thou shalt speak unto the children of Israel. [Exodus 19:4-6]

If God designated the nation of Israel to be a nation of priests, then they were to be teachers and were to communicate God's word and will for the enlightenment of the rest of the people of this world. This is to be an spiritual and educational process based upon the actions and words of the people of Israel reacting to and benefiting ethically and economically from God's actions and words.

He was clear about the kind of pay back he expected from his chosen people but he still promised them a Messiah too. His greatest act was when he sacrificed his own son, Jesus Christ to save the souls of all of mankind as recorded in the New Testament. The Muslims believe that he sent Mohammed to guide them through the words of the Koran. As a consequence, God has the right to be obeyed and partnered with through His actions in all the earthly dealings which involve devout Christians or Muslims. Man is to be a reflection of the image and mind of God when he does business. He is to share the risk with whomever he does business. He is to become a trusted partner in all of his business dealings sharing in the profits up front as well as in the losses just as God expects in partnership with man. If a Muslim banker loans money he does so sharing the risk as a partner but at no interest. Interest can grow and grow debt wise for the debtor. Profit sharing is not supposed to get out of hand. Instead, the lending partner has a right at the very beginning of a contract to expect an agreed upon rate of return if profit is the result of the loan. Loans not involving profit but are because of need simply mean no interest lending with a return for what is borrowed except for fees for services.

Torah Partnership Contract

Jews believe that it is better to help a man start a business in partnership then simply to give him a loan even when interest is not charged. However, emergencies are certainly taken care of with dispatch. A small book (pp. 191) written in 1991 which shows a renewed comprehensive business focus beyond charity even in the Jewish community is by Rabbi S. Wagschal entitled, Torah Guide for the Businessman. Jerusalem - New York: Feldheim Publishers. Rabbi Wagschal seems to hope that Jewish businessmen will take a fresh 90s look at using biblical laws for doing business. The following is an example of a contract for doing interestless biblically based business which the Rabbi

recommends:

Torah Based Partnership Contract

"I, the undersigned, declare that I received from Mr. Levy 1000 Pounds on the basis of an [agreement from - to- (the date)].

I further declare that I undertake to use this money for the purpose of the best business opportunities that will come my way.

All profits will be shared on an equal basis between Mr. Levy and myself.

In case of losses we will bear them also on an equal basis.

I am obliged to return the above amount of 1000 Pounds plus half of the total profits on the (date).

It is further agreed that any uncontrollable losses will be proved by two kosher witnesses and that the position of profits will be supported by me by an oath. However, it is agreed that I shall have the option of relieving myself of these obligations by returning the full amount of the money plus 40% of 500 Pounds or the agreed figure of 200 Pounds.

I received/will receive a payment of 5 Pounds or 1% of 500 Pounds for my work.

Any other agreements or documents relating to the above arrangement are deemed to be based on this agreement, irrespective of whether they are contradictory textually or in spirit.

This agreement is made also on the basis of the generally accepted formula for [biblically based, no interest partnership contracts]

All the above was also supported by [laws of barter and marriage]

Date:

Town:

Signed:

A signed copy should be held by both parties.[See p. 91]

The tenor of this 1992 book indicates that Rabbi Wagschal is not too happy today about how caught up Jews are with the opposite of teachings in the Torah about usury. Let us now take a more detailed look at what interestless banking that does exist entails. Consequently, all banking and business utilizes the partnership concept. Instead of making loans and collecting and paying interest such banking has partnership contracts with depositors.

To answer the question about the profitability of interestless banking, we now will take a closer look at such banking to establish a foundation for the Christian world - the unique contribution GMT wishes to make. We will let our Muslim brothers provide a model for us with what they have written and practiced. After developing such a model we will review the biblical and church economic history including the history of usury which can reveal the sources of essential Biblical principles and

lives, writers, early Christian practices, economic environments,
and upon which to form the foundation for the God's Master Trust
titled Jesus Christ of Nazareth: Thy Kingdom On Earth As It Is
In Heaven.

PRELUDE

Part IV and Part V will be based on a book to help update the largely 1988 information provided in this work so far which updates briefly the Christian and Islamic history aspect as well as information at the turn of this century. This advantage is provided in **Islamic Banking** by Professor Mervyn K. Lewis, National Australia Bank Professor, School International Business, University of South Australia and Latifa M. Algaoud, Chief of Training and Development, Ministry of Finance and National Economy, State of Bahrain. published in 2000. There is the advantage of including the perspective in history of the Roman Catholic Church and Islamic religion in our Part IV and their Chapter 8 entitled "Islamic and Christian attitudes to usury" probably because the authors discuss the success and failure of the Christian and Western perspective plus Muslim moral economics. Also, they show similarities and difference between the moral economics of the two religions. Part V is a brief account for those interested in Islamic banking at the turn of the century. Excerpts from West and Algaoud will be liberally included in both parts to help the reader update his information - pre - 9/11/01 (New York Twin Towers complete destruction and Washington, D.C. Pentagon damaged suicide passenger planes attack).

Part IV

The Rise and Fall of Resistance to Usury in the Church

As the Roman Empire weakened the Roman Catholic Church filled in the vacuum of power in the secular and religious world:

This was the period when the Church had vast secular and religious authority and was a universal and unifying force across Christian countries like Islam is today amongst Muslims. For our purposes, we need to extend the analysis in at least the sixteenth century, for the great medieval unity of Christendom - and its views on usury - went largely unchallenged until the Protestant Reformation and the rise of Calvinism. [Lewis and Algaoud, 185].

It seems that Islamic banking is much like that of the Middle Ages Roman Catholic Church over the period of restrictions again usury:

One interesting finding that we unearth is that some of the devices used by Christians in response to the prohibition were remarkably similar to financing instruments used by Islamic banks today. [Op. cit. 186]

Just as usury was sin for Medieval Christians based on the Bible so was *riba* or usury a sin for Muslims in the Holy Qur'an. However, when the word is defined for application its word origins make interpretation become more complicated:

Interest derives from the medieval Latin word *interesse*. Usury comes from the Latin word *usura*. The problem is that theologians and ecclesiastical law treated the two as different in kind. In particular, *interesse* was permitted and *usura* was forbidden---. *Usura*, meaning enjoyment, denoted money paid for the use of money, and under canonical law meant the intention of the lender to obtain more in return from a loan than the principal amount due. It equates to what we would today call interest, measured by the difference between the amount that a borrower repays and the principal amount that is originally received from the lender ---. Both usury and interest also correspond to *riba* which as we have seen literally means 'increase' or in excess of the original sum. [Op. cit. 186]

The church has subdivided the meaning of usury while Islam has only one standard:

Medieval canon law thus prohibited payment for the use of a loan, which (following Roman law) it called *usura*. But while a person was prevented from charging money for a loan, he could demand compensation - *damna et interesse* - if he was not repaid on time. if he was not repaid on time. *Interesse* referred to the compensation made by a debtor to a creditor for damages caused to the creditor as a result of default or delays in the repayment of the principal, corresponding to any loss incurred or gain foregone on the creditor's part. Because such *interesse* was lawful and conceptually distinct from unlawful *usura*, it is easy to understand why the term 'interest' has come to be universally adopted in post-medieval societies, and also why in the Middle Ages creditors had a strong incentive to seek to disguise usury as *interesse* and accordingly not fall foul of the Church.

What kind of power did the Church have?

Its land holdings made it the greatest of the feudal lords, and its estates were the source of much economic production and consumption. In addition, the Church had a doctrinal unity and claimed command over the totality of human relations. Like Islam today, Christianity then was not just a religion, but a way of life governing both conduct on earth and spiritual salvation in the other world. [Op.cit. 187]

The Christian ban on usury was complex and subjective:

A number of techniques rested on the distinction between **usura**, which was unlawful, and **interesse**, compensation for loss, which was lawful. Under the doctrine of **damnum emergens**, the suffering of loss, the lender was entitled to exact a conventional penalty from the borrower if he failed to return the principal at the agreed time, that is if he defaulted. This provision opened the door to the taking of interest, since the courts assumed that there had been a genuine delay and that a bona-fide loss had occurred. By making very short-term loans and simulating delay (**mora**) in repayment, interest could be concealed.

Payment could also be demanded under the doctrine relating to **lucrum cessans**. As well as compensation for damage suffered, the lender could be compensated for the gain that had been sacrificed when money was lent. A creditor with capital invested in a business could claim compensation on this account, and the growing opportunities for trade made it easier to prove that gain had escaped him. A wide range of financial transactions could be legitimised in this way, especially since a special reward could be claimed by the lender because of the risk which had been incurred. [Op. cit. 198]

Basic Sources for the Church:

First, there were the scriptures, especially the Gospels and the teachings of Jesus. Second, as the Middle Ages progressed and the Church became increasingly institutionalised, the words of Jesus were not sufficient to cover all eventualities and were supplemented, and to a large degree supplanted, by canon law based on the rulings of ecumenical councils and Church courts. Third, schoolmen and theologians laid the foundations of Christian theology, drawing on ethical principles developed by Greek philosophers such as Plato and Aristotle. [Op.cit. 187]

Roman and Greek culture formed the curriculum of the schools of the Church. This was part of their effort to attract the educated classes of the former Roman Empire.

Islamic and Christian perspectives:

"Parallels":

Both religions are monotheistic

Both have a physical presence who defined their religion -
Jesus (Christianity) and Mohammed (Islam)

---attitudes seeing usury as the worst form of gain, as lacking any scriptural warrant whatsoever, as involving unjustified collateral, forcing the debtor to sin, as unnatural and barren, as an unwarranted expropriation of property, as devoid of true work, and fixed, certain, and lacking in risk-sharing, all of those are echoed in (or echo) Islamic views. [Op.cit. 194]

There are other parallels as well. Islam comprises a set of principles and doctrines that guide and regulate a Muslim's relationship with God and with society. In this respect, Islam is not only a divine service, but also incorporates a code of conduct which regulates and organizes mankind in both spiritual and material life. The Aristotelian idea that ethics should govern the science of economics would sit comfortably with an adherent, as would the view that the Church (Muslims would of course substitute God) has command over the totality of human relations. [Ibid]

Four more specific Islamic reasons for prohibition which parallel the Christian view:

- .Taking interest implies taking another person's property without giving him anything in exchange. The lender receives something for nothing.
- .Dependence on interest discourages people from working to earn money. Money lent at interest will not be used in industry, trade or commerce all of which need capital, thus depriving society of benefits.
- .Permitting the taking of interest discourages people from doing good. If interest is prohibited people will lend to each other with goodwill expecting nothing more back than they have loaned.
- .The lender is likely to be wealthy and the borrower poor. The poor will be exploited by the wealthy through the charging of interest on loans. [Op. cit. 194-195]

"Sanctions" - Both imposed sanctions upon usurers
(See Op. cit. pp. 195 - 198)

"Differences"

Scriptural authority - Bible for the Church

Holy Qur'an for the Mosque

Second, while canon law and scholastic philosophy sought to augment scripture, the essential feature of that source was that it could - and did - change in response to the temper of the times and new religious thinking, whereas the Holy Qur'an provided a fixed and certain point of reference. Third, to the extent that Christian doctrine rested on an Aristotelian foundation it was vulnerable to the charge of being, at heart, anti-trade and commerce. Aristotle adopted the view, later followed by the Physiocrats, that the natural way to get wealth is by skillful management of house and land. Usury was diabolical and clearly the worst way of making money. But there was also something degraded about trading and exchanging things rather than actually making them, as summed up in the medieval saying, 'Homo mercator vis aut numquam Deo placere potest' - the merchant can scarcely or never be pleasing to God. By contrast, the Holy Qur'an endorsed trade, so long as it was not usurious.

On all three counts, where Christianity was somewhat equivocal in comparison with Islam, its stand on usury was subject to erosion. Perhaps ironically, the one aspect on which it was more forthright than Islam probably served to reinforce that trend. This was in the area of punishment.

The Erosion

With the advent of the mercantile era (circa 1500-1700) the practice of the taking of interest, which had been forbidden by the Church, gradually came to be accepted (although cases involving usury were still being heard in England in the reign of Elizabeth I) and eventually sanctioned. Why did the prohibition on usury break down throughout Europe? As in any other area of enquiry, a number of strongly intertwined factors were involved, making it difficult to disentangle cause from effect.

[Op. cit. 203]

"Deregulation"

---economic growth swelled the channels for profitable investment to such an extent that the divorce between theory and reality had become almost unbridgeable. Greater investment opportunities made the usury laws more costly and tiresome to enforce, while the devices to get around the prohibition had become so numerous that everyone was concerned with the form rather than the substance of transactions. In effect, the ban had become unworkable and the rulings themselves were brought into disrepute. [Ibid]

All of this can be interpreted in terms of the economic theory of regulation. When the bans were introduced in the early Middle Ages, the Church itself was the centre of economic life, and canon law was concerned with ensuring that its own representatives were kept in line. As the outside market grew and commerce expanded, more and more activity moved outside the controlled (that is non-usury) to the non-controlled activities. When the market continued to expand, and the legal devices to circumvent the regulations expanded also, the Church's condemnations became at first more strident and its penalties more severe as it tried to keep a lid on interest transactions. But at some point the tide turned. As the thinly disguised interest economy continued to grow, more and more were willing to seek immediate gains in the present world and take their chances in the hereafter, hoping that a death bed confession and token restitution would ensure an easier route to salvation. The Church itself was forced to devote more of its energies to examining the accounts of money-lenders and merchants in order to root out the various subterfuges used to conceal usury. In short, the cost of maintaining the regulations increased. Regulatory theory predicts that a stage might be reached when the least-cost solution is to 'deregulate' and remove the irksome controls.

Then the problem, of course, is how to save face and break from the past, particularly when so much intellectual capital and moral fervour has been devoted to the issue. It was necessary to avoid the charge of hypocrisy or moral backsliding. Again, we can explain what happened in terms of the theory of regulation, by borrowing from what is known as the theory of regulatory 'capture'. One strand of that literature concerns what happens if there are a number of competing regulatory agencies (as in US banking, for example), fighting over common turf and seeking to widen their constituency. The 'competition in laxity' may be the result. Something like this may have happened with the Christian Church on usury: competition to the orthodoxy of Catholicism came from the rise of Protestantism associated with the names of Luther and Calvin, and laxity from the relaxation of the usury laws. [Op. cit. 204]

Calvin-It was Calvin not Luther who took a stand about usury.

His denial (in a series of letters beginning in 1547) that the taking of payment for the use of money was in itself sinful has been hailed as a 'turning point in the history of European thought' ----, as the foundation stone of the 'spirit of capitalism'---- and the "Gospel of the modern era"---.Earlier, St Paul had declared that the 'New Covenant' between Jesus and the people had

superseded the old covenant of Mosaic law, so that Judaic law was no longer binding on Christian society (Letter to the Romans, Chapter 3). Calvin went further. He argued that neither the old Halakic code nor the rulings of the Gospels were universally applicable and binding for all time, because they were shaped by the conditions for which they were designed for conditions that no longer exist. Rather they should be interpreted in the light of individual conscience, the equity of the 'golden rule' (do unto others as you would have them do unto you), and the needs of society.

Thus under Calvin's reformation the lender is no longer a pariah but a useful part of society. Usury does not conflict with the law of God in all cases and provided that the interest rate is reasonable, lending at interest is no more unjust than any other economic transaction; for example, it is as reasonable as the payment of rent for land. Although Calvin repudiated the Aristotelian doctrine that money was infertile, he nonetheless identified instances in which the taking of interest would be an act of sinful usury, as in the case of needy borrowers oppressed by circumstances and faced with exorbitant interest rates. But these are problems inherent in the social relations of a Christian community, to be solved in the light of existing circumstances and the dictates of natural law and the will of God, not by blanket prohibition [Op.cit. 204-205]

"Redefining Usury"

The liberal views of Calvin about usury became the position of Protestant Christianity.

Throughout Protestant Europe, governments embraced his views to abolish the legal prohibition of interest. Earlier, after Henry VIII's break with Rome, a statute was enacted in England in 1545 legalising interest but limiting it to a legal maximum rate in place of a prohibition of interest was made permanent by law in 1571. Such 'usury laws' became the norm thereafter in Protestant Europe.

The retreat of Catholic canon law was in general slower and involved the concession of exceptions while clinging to the principle. Nevertheless, in the nineteenth century, the Roman Catholic authorities also relented by the issuance of some 14 decisions of the Congregations of the Holy Office, the Penitentiary, and the Propaganda stating that the faithful who lend money at moderate rates of interest are 'not to be disturbed', provided that they are willing to abide by any future decisions of the Holy See. Nonetheless, the Church still provides

for those convicted of usury in the modern sense, that is excessive interest ---. [Op. cit. 205]

Amongst the early Church, the distasteful implication that usury was lawful when levied upon some ('foreigners') but unlawful and sinful when applied to others ('brothers') was initially resolved by not charging interest to anyone. Following Calvin, the resolution came about instead by charging usury to all, but at a rate deemed to be not injurious.

[Op. cit. 205-206]

Additional reasons for the erosion

One was a shifting allegiance involving borrowers and lenders. In the Middle Ages, Church property was almost entirely in land, and landowners have always been borrowers rather than lenders. But when Protestantism arose, its support came chiefly from the middle class, who were lenders rather than borrowers. With this changing 'constituency' first Calvin, then other Protestants, and finally the Catholic Church sanctioned usury. Related to this argument is the distinction between consumption loans and production loans, which also features in some revisionist Islamic literature on *riba* --. In the early Middle Ages most loans would have been consumption loans, for which the potential for exploitation is presumably greater than for production loans. By the time of Calvin the position had reversed, and protection from exploitation could be achieved by proscribed *masima* in excess of the 'natural' commercial rate. [Op. cit. 206]

Part V

Islamic Banking At The Turn of the Century

Pre 9/11/01

Adoption of the Islamic Model:

A pure Islamic-qualifying transaction could be seen as one which involves only adherents of Islam (that is, as investors, as users of funds and as intermediaries). So long as a transaction is structured to adhere rigidly to the most stringent interpretation of Islamic finance principles and with funds deployed in Islamic-qualifying projects it would be considered Islamic-qualifying by all shari'a (religious supervisory) boards globally. But a wider range of activities might be classed as qualifying if the criteria were to relate to its form, substance and purpose, and the other activities of the end-users, rather than to the general religious adherence of the participants. That is, the qualifying elements relate to the form and substance of a transaction and not the 'qualifications' of those who design, participate or manage the activity. Such an interpretation would conceivably allow many conventional (non-Islamic) financial institutions, governments, corporations and individuals to participate in the market, as indeed they do already and to a growing extent. [Lewis and Algaoud, 232]

LONDON - Major Islamic finance center in the west

Reason:

----breadth of specialist financial services offered, the depth to the markets and the reputation of the major banks, which include all the leading global institutions of finance--. Most Gulf businessmen and bankers have English as their second language, and many have long connections with the United Kingdom, where they and their families can interact with the Arab community in central London. A number of conventional banks provide an extensive range of Islamic financing services including investment banking, project finance, Islamic trade finance, private banking and mortgages. Islamic banks and businesses can utilize the expertise which these banks have, and their experience and contacts. City law firms provide legal advice on leasing and other Islamic financing techniques ---. In effect, London has become a globally ancillary centre for Islamic financing. [Op.cit, 236]

Drawbacks:

Only three Western-owned banks (ANZ International, Citibank, and Dresdener Kleinwort Benson) [recheck after 9/11?] out of the hundreds operating in London have Islamic banking departments. There is no wholly Islamic institution functioning in London as a bank. The managed Islamic funds are based offshore in Luxembourg, the Channel Islands and Ireland to take advantage of the tax regimes in those locations (although much of the management takes place in London). Also, until relatively recently, the track record of funds introduced in London was disappointing' ---. [Ibid]

Takaful (Islamic Insurance)

In 1999, there were 34 Takaful companies providing Islamic insurance. Many of these organizations were established wholly or partly, by Islamic banks ----. Some of the factors underlying the bancassurance trend in Western markets are relevant for this diversification, but in addition there are complementarities because Islamic insurance operates under a set of rules and shari'a supervision not dissimilar to that for Islamic banking. By establishing their own Takaful companies to serve the Muslim community, the Islamic banks, in effect, leaned credibility to their banking operations.

[Op. cit. 211]

Three types of Takaful products are on offer:

.General Takafuls (Islamic general insurance)

These offer protection or coverage against risks of a general nature by companies or individuals (participants). Some of the products are motor insurance, fire and allied perils, worker compensation, marine cargo, engineering insurance, property, transport, and so on.

.Family Takafuls (Islamic Life insurance)

These provide coverage for participation by individuals or corporate bodies on a long-term basis and the maturity period generally ranges from 10 to 40 years. Some of the products are medical and health plans, education, accident, marriage, hajj and umra plans, lump-sum investments, savings plans, retirement plans, mortgage and so on.

.Retakaful Coverage (Islamic reinsurance)

There are very few companies in this field and they are mainly located in the Bahamas, Malaysia, Saudi Arabia and Sudan. The Retakaful companies offer coverage for Takaful companies against risks, loss or dilution of its capital and reserves resulting from high claim exposures.

General Takafuls are short-term contracts for the protection of potential material losses from specified catastrophes. Members' premiums are called tabaru (contribution, donation). These are invested on a mudaraba basis by the Takaful company, with profits allocated between the tabaru fund and the management. Any surplus, after indemnity, reserves and operational costs are deducted, is then shared between either all participants or those who did not make a claim, depending on the company concerned. In short, the similarity with conventional insurance comes from the entire contribution of members being invested, like premiums, in a tabaru fund; the differences come from the mudaraba investment basis and the entitlement of participants to any surplus in the tabaru fund.

In the case of life (family) insurance, the basic objective of Takaful is to pay for a defined loss from a defined fund, which is set up mutually by policyholders, but is managed by a Takaful company. The policy is not so much to insure one's own life but is a financial transaction that relies on the principles of mutual cooperation for the welfare of the insured and/or his/her dependents. Second, the elements of gharar can be avoided if the policy operates on the principles of mudaraba, as a profit-sharing contract between the provider (s) of the fund, that is the policyholders, and the entrepreneur, that is the Takaful period or term such as , 10 or 15 years so as to eliminate the uncertainty in the contract period, and prevent it from being a whole-of-life policy.

[Op. cit. 214 - 215]

Conclusions - Pre 9/11/01 Islamic banking success and
Christianity's non interest banking failure.

Religion:

---the great monotheist religions, Islam shares a common heritage with Judaism and Christianity.

Not surprisingly, we found there to be very close parallels between the Christian attitude to usury and the Islamic stand. The sticking point for both is the inequity of the lender demanding, and enforcing by collateral, a fixed return from the entrepreneur irrespective of the yield of the investment project. More unexpected, perhaps, was the finding of close parallels between the financing techniques used by Christians under the usury ban and those of Muslims, and that these techniques in fact included mudaraba-type bank deposits as well as the extensive use of partnership arrangements.
[Op. cit., 240]

Summary:

1. There are now over 200 banks operating according to shari'a principles in five of the world's major continents, namely Asia, Africa, Australia, Europe and North America, along with other areas such as the Caribbean Islands. This geographical diversification shows both the flexibility and adaptability of the system of Islamic banking and the sizable market which exists for the special products that Islamic banks have to offer.
2. Three countries, Pakistan, Iran and Sudan, have sought a complete transition of their financial systems to Islamic principles, but they differ markedly in the speed of the transition and the legal and social infrastructure fashioned to facilitate the process. Funding the government budget on a riba-free basis is a central problem, which has been skirted around in Iran and remains to be solved in Pakistan. We see public sector-private sector partnerships, and the financing of infrastructure using Islamically-acceptable project finance instruments, as one way around this impasse.
3. In other countries the introduction of Islamic financing has involved establishing Islamic banks which compete openly with conventional banks (and in some cases with other Islamic institutions). In many cases, they have diversified into Takaful insurance, investment banking, fund management and offshore activities.

4. While Islamic banking is clearly feasible, and can operate successfully, Islamic banks based in a modern economy face their own set of problems. Judged in terms of the modern theory of financial intermediation revolving around information asymmetries, delegated monitoring and incentive-compatible contracting, there is a central analytical dilemma. Islamic banks are unable to utilize riba contracts as an incentive device. They are also prohibited under profit-and-loss-sharing partnerships from the exercise of covenants, collateral and other enforcement procedures that theory suggests are needed to reduce moral hazard and which form part of the standard lending methods employed by conventional banks.
5. In their formative years, most Islamic banks largely circumvented these difficulties by concentrating overwhelmingly on short-term murabahas and ijara financing which bear similarities to that of traditional banking in that the goods themselves can serve as collateral and there is a relatively certain rate of profit, albeit with some attendant risks. Nowadays, there is much greater diversity in the banks' Islamic investment portfolio, with some Islamic banks establishing systems for evaluation and monitoring under musharaka partnership financing and others engaging in direct real investments and longer-term investments. This monitoring effort is not necessarily a weakness of the system. Clearly, many Western banks over-relied on the protection afforded by collateral, which proved to be illusory during the downturn in real estate markets in the early 1990s (and late 1990s in Asia). It is no bad thing that Islamic banks are often forced to undertake the 'delegated monitoring' that economic theory says is the hallmark and productive role of financial intermediaries.
6. At the same time, this trend has not been universal and many Islamic banks have continued to downplay profit-and-loss-sharing techniques of financing in favour of mark-up methods. Nevertheless, many of the criticisms of their actions seem misplaced. Muslims are encouraged by the Holy Qur'an to pursue trade, and these instruments are the principal ones used for financing trade, both domestically and internationally. These financial techniques are also, to a degree, self-liquidating. It ought not to be forgotten that one of the traditional tenets of 'sound banking' was that banks should restrict their lending to the acquisition of self-liquidating claims, which in a sense describes the nature of a murabaha contract.

7. During the formative years of Islamic banking, another feature was that the institutions relied extensively upon the financial backing of prominent international luminaries in the Muslim world and the support of the local Muslim community for their establishment. They have continued to tap this source of support for subsequent growth. However, Islamic banks have probably now reached the state - and this is supported by a number of marketing surveys - where the religious variable alone is not enough. They operate in a market in which many conventional banks themselves have Islamic 'windows', and factors such as the quality of service, the availability and reliability of electronic networks, and the returns paid on investment accounts become the major conditioning factors.
8. If so, then it is increasingly likely that the preferences of depositors, rather than the preferences of the banks, will shape the Islamic investment portfolios of the banks. We have argued that it is a characteristic of the PLS financing modes used by Islamic banks that they effectively convert those supplying loanable funds from being depositors, with guaranteed capital certainty, into being non-voting shareholders. That is, those depositors with investment accounts share the risk of loss with the banks, but cannot influence (at least directly) the selection of the investments. What they can do in a mixed system is not renew investment funds when they mature. In this way, they put pressure on the banks and thereby constrain and ultimately shape the risk-return characteristics of the banks' investments. Those Islamic scholars who criticize the Islamic banks for choosing a low-risk-stable return portfolio based around trade and asset financing ought perhaps to blame their fellow depositors. The bankers must be mindful of their fiduciary responsibilities to those entrusting them with their savings to invest, and the more so if they are to survive in a competitive marketplace.
9. One way out of this dilemma is for the portfolio decisions to be shifted more directly from the institutions, as *mudarib*, to those supplying the investment funds. This occurs already in terms of the restricted *mudaraba* investment accounts offered by the banks, but these services are confined to individuals with large funds to invest. The best way to extend this choice to those of moderate means is by virtue of the unit trust technique. Formally, at least, it would remain the case under the *mudaraba* principle that the institution or fund manager retains full discretion over the selection and the direction of investments of the fund. Nevertheless, the broad characteristics of the fund itself (for example, property, commodities, trade finance, global equities, venture capital, and so on) will indicate much about the inherent risk-return

- characteristics, thus effectively transferring the selection to the customer himself when choosing the type of fund. Islamic unit trusts have been a major growth area in recent years. We have also recommended that Takaful life insurance companies in terms of their family business could provide a range of switchable funds which would achieve the same result.
10. This brings out the point that product innovation within shari'a guidelines is perhaps the key element governing the future of Islamic banking and finance. Certainly it is one lesson of history. In our view, Islam has succeeded in sustaining the ban on usury, where Christianity failed, in large part because it invested resources in division religiously acceptable financial techniques and showing Muslims how they could undertake banking and finance while maintains faith with religious convictions. In effect, Islam has systemised and fashioned strategies, which have allowed those wishing to avoid usury and engage in banking and finance in shari'a consistent ways to do so. Islamic unit trusts, Islamic structured project finance and infrastructure financing, and Takaful insurance - all of which have been examined here - are illustrations of this systemization and product development at work, although much can still be done to make some instruments flexible and responsive to changing market requirements.
11. We have also argued that this adaptation and innovation process would be aided by the formation - through the market - of an international centre for Islamic finance, and the further development of asset-based and equity-based financial instruments in line with shari'a principles. Much like London did for the Eurodollar market, we see that an Islamic financial centre could act as a 'magnet' for attracting shari'a acceptable investments from both Islamic and conventional banks, and become the main issuing centre for the equity-and asset-based instruments involved. It could provide a venue for the securitisation of these instruments and the facilities for trading the derivative securities so created. In this way, the centre would impart liquidity to the instruments while providing a market-place for the placement and investment of short-term funds and liquid balances. At the same time, it is important that the growth of the centres(s) be market-driven and be based on existing market strengths, rather than be the result of artificially-created features which have no foundation in terms of market behaviour.

12. A final comment concerns the importance of shari'a supervision, which is a central element in the Islamic system of corporate governance, ensuring that Islamic finance retains touch with the religious precepts that led to its birth. There is a valuable lesson here for Western economies. One trend that has emerged in the West over the past decade economies. One trend that has emerged in the West over the past decade or so is a growth in 'ethical investments'. So far, however, this movement has had its major impact in terms of equity investments and various pooled funds. There has been little impact of the ethical investments movement on the banking sector other than the occasional picketing of banks for investing in the destruction of rainforests (or in South Africa in the past). The phenomenon of Islamic banking has demonstrated how a code of ethical investments can be built formally into institutional structures of corporate governance and be made to operate across the banking and financial system generally. [Op.cit., 240 - 245]

Part VI

Turn To The Moral Economics of Jesus Christ

Now that the demise in authority of Deuteronomy 23:19,20 by the Roman Catholic and Protestant Churches has been recorded, it is hoped that such a unfortunate history will be considered useful for those compelled by faith that Biblically based moral economics has to be restored in the 21st century. Particularly since this millennium has started out according to Joanna Stavins, Economist, Federal Reserve Bank of Boston about "Credit Card Borrowing Delinquency and Personal Bankruptcy" in the **July/August 2000, New England Economic Review** opening paragraphs:

Credit card delinquencies and personal bankruptcy rates increased during the mid 1990s, despite the strength of the U.S. economy. Even though per capita income rose during that period, household borrowing grew at an even faster pace. The ratio of consumer debt (excluding real estate) to disposable income increased, and it has remained above 20 percent, despite rising incomes. The rise in revolving debt - mainly credit card loans - was especially noticeable, resulting in an increase in the share of revolving debt in total consumer debt--.

The increase in personal bankruptcy rates was also substantial. From 1994 to 1998, the number of nonbusiness bankruptcy filings in the United States increased faster than during the four-year period that included the 1991 recession ---, reaching more than one filing per 100 households in 1998. The good news is that the number of filings dropped in 1999, and in the first quarter of 2000 was 5.8 percent lower than a year earlier. [P. 16]

One of the overall sad facts of this article is that credit cards with their very high interest rates and bankruptcy can be directly linked. A footnote is provided by Stavins indicating that The American Bankers Association found that in 1994 credit on credit cards was \$257 billion and in 1995 it went down a little bit to \$246 billion (Op. cit. 26). .

Even more unfortunate is that bankruptcy has been made more attractive as an option because:

Under Chapter 7 of the current U.S. personal bankruptcy code, debtors can discharge all of their eligible debt (student loans and child support are not dischargeable) by paying a fraction of their debt from their assets. Chapter 7 is very favorable to debtors, because they do not have to use any of their future income, regardless of

how high their income is, and they can keep their assets, up to an allowed exemption level set by the state in which they live. It is not surprising, therefore, that most debtors in the United States file under Chapter 7 (approximately 70 percent). [P. 29]

Such a state is immoral, corrupt, and unacceptable economics according to the moral economics of the Bible and the Christian Church can not escape condemnation for having given up on Deuteronomy 23: 19,20. They should have stuck to their guns like the Muslims so that the Church could continue the bank to be a sacred place too:

Islamic banks have a major responsibility to shoulder...all the staff of such banks and customers dealing with them must be reformed Islamically and act within the framework of an Islamic formula, so that any person approaching an Islamic bank should be given the impression that he is entering a sacred place to perform a religious ritual, that is the use and employment of capital for what is acceptable and satisfactory to God, the Almighty. [Janahi, 42]

Added to the dark picture of American credit card debt and personal bankruptcy in 2000 has come the worst attack by an enemy on American soil with horrible results of loss of life and property on 9/11/01 in New York and Washington, D.C.. This caused the U.S. economy to go into recession showing how fragil the American economy can be when it relies mostly on fear and greed to motivate itself.

The mistake that must be avoided that the Church committed was to rely on Deuteronomy 23:19, 20 instead of the interpretation that Christ made improving upon those Old Testatment verses. Consequently, now that the demise in authority of Deuteronomy of 23:19,20 by the Catholic and Protestant Church is recorded, it is hoped that such a history will be considered useful for any 21st century efforts to restore moral economics into the Christian world today.

It is much more important for Christians intending to manage God's Master Trust to follow how Christ has converted the meaning of Deuteronomy 23: 19,20 through his parables and charges to us.

- a. The parable of the Talents (Matthew 25: 24-30 is showing that the will of Christ is that constant profitable preparation and growth are expected of Christians using the talents God and Christ have given us. Most importantly, by expanding upon what we have been given, with the help of the Holy Spirit knowing that Christ promised there will always be, in His physical absence, the Comforter to encourage and

empower us to work for self improvement with what we have been given in trust. The Church was to do this because they controlled God's wealth since the world was on Gold standard which represented God's wealth since it came out of His earth. Instead they allowed the intentions of God wealth to be buried by the greed of secular commercial interest.

- b. Luke 6:35 - Christ increases the meaning of Deuteronomy with his interpretation as captured by what Dake's Bible discovers to be the "Laws of mercy":

But love ye your enemies, and do good and lend, hoping for nothing again; and your reward shall be great, and ye shall be the children of the Highest; for he is kind unto the unthankful and to the evil.

Everyone who will have the honor to manage God's Master Trust, Christ expects to not forget the mercy God has shown them through His son Jesus Christ providing them with a path to their own salvation. Therefore, they are required to show mercy towards all of the peoples of the world too regardless of their past and present aiding in focusing God's Master Trust on present and future ways financially to gain salvation for all through the means of a moral economic basis for world wide brotherly love no matter what it cost. This is the way God's will through Christ can be done.

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APPENDIX

Islamic Banking as Practised Now in the World

Dr. M. Fahim Khan*

To the modern Western Economists who consider interest to have a pivotal role in the economic life of a society and even to many of the Muslims who believe in interest as an essential element for economic development and growth, the Islamization of an economy may seem to be a mission impossible. This belief may be due to the fact that no working model or blueprint exists to support its practicality or highlight its practical implications.

Muslim Economists have been trying to present the interest-free economy in theoretical models but unless some successful working example is presented to both the businessmen and economists their logic, no matter how convincing, will remain doubtful.

During 1970s, individual efforts were made in various Muslim countries to establish interest-free banks. These efforts present not only an excellent working example for those who did not believe in the practicality of the institution but also provide a spade-work over which the infrastructure of interest-free banking for a country could be built up.

This Report, based on the documents of the Islamic Banks of the world and discussions with the heads of these banks during my personal visits to these institutions, provides a detailed examination of these efforts. The first part of this Report describes the operations of these banks. The second part highlights those issues that need to be discussed in this Seminar.

PART - A

OPERATIONS OF ISLAMIC BANKS

Objectives of Islamic Banks

The organisations currently operating on Islamic Banking principles are listed at Annex 'A'. The objective of these Islamic Banks, in general,

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al, is to promote, foster and develop the application of Islamic principles, law and tradition to the transaction of financial, banking and related business affairs and to promote investment companies, enterprises and concerns which shall themselves be engaged in business activities as are acceptable and consistent with Islamic principles, laws and traditions and in no event engaged in the alcoholic beverage trade, and the receipt of interest forbidden by Islam, the gambling industry or the pork meat or in any other un-Islamic activity. The main principles of their banking are:

- (i) Prohibition of interest in all forms of transactions.
- (ii) Undertaking business and trade activities on the basis of fair and legitimate (*Halal*) profits.
- (iii) Giving *Zakah*.
- (iv) Prohibition of Monopoly.
- (v) Cooperation for the benefit of society and development of all *Halal* aspects of business trade and investment that are not prohibited by Islam.

The Islamic Development Bank (the only bank of its kind working in Jeddah) has similar objectives except that the Bank's activities are oriented more towards development projects of the member countries rather than to commercial activities. According to the agreement of the Bank, "Islamic Development Bank aims to foster economic development and social progress of member countries, individually as well as jointly, in accordance with the principles of *Shari'ah*".

How The Islamic Banks Operate

Where the normal banking practices do not clash with the Islamic principles, the Islamic banks have adopted the current banking tools and procedures. Where any clash arises, the Islamic banks have devised their own tools and procedures to accomplish their banking activities. Such tools and procedures that have been devised so far are enumerated below:

A. DEPOSITS

Islamic Banks receive two types of deposits:

- (a) deposits not committed for investment which take the form of current accounts or savings accounts, and
- (b) deposits committed for investment which are called Investment Accounts.

Whereas Current Account is operated in the same way as it is operated in the conventional banking system, the Savings Accounts and Investment Accounts are operated differently as discussed below:

1. Savings Accounts

This is an account where the customers can deposit their savings. Though these depositors allow the banks to use their money, they get a guarantee of getting their full amount bank from the bank. In this case, the Bank guarantees their savings but is not-obliged to pay any rewards to the savers. However, most of the banks are still paying either a cash reward from their profits at the end of their financial year or are giving some privileges to the holders of these accounts, e.g. providing financial support for small projects, sale of consumer durables or producers goods by instalments, distributing gifts etc. These rewards are discretionary and not obligatory and are paid only in case the bank is earning substantial profits. These accounts, however, were found to be attracting relatively very little deposits but some of the Islamic Banks (Kuwait Finance House and Dubai Islamic Bank, for example) were giving a significant profit (ranging between 5 to 6 per cent) on these accounts. On accounts that have no risks, this much profit is not understandable. Without facing any risk of loss, how can they share in the profit? The Savings Accounts share the net profit of the bank according to some agreed proportion.

2. Investment Accounts

These Investment Accounts can be of two types:

- (a) Accounts with authorisation, and
- (b) Accounts without authorisation.

In the accounts with authorisation, the account holder authorises the bank to invest this money in any one of its projects. After the expiry of a specified period, the account holder will get the profit. In case of investment accounts without authorisation, the account holder may choose any particular project for investment of his deposited money. (The account holder, may or may not specify the period of deposit.) The bank will give share to the account holder from the profit of that particular project which has been chosen by him according to agreed percentage. If the investment accounts are opened for a fixed period, the customer is not allowed to withdraw his money before the lapse of the specified period. If he does so, the customer either is not entitled to the share in profit at all or may be entitled to receive some discounted profit depending upon the duration of the deposit with the bank. These deposit schemes of Islamic banks have been able to attract a substantial number of depositors. The current annual report of Kuwait Finance House indicated that their number of account holders have reached a level of over 20,000 within a 2-year period

which has surpassed their prediction based on the trend of the deposits of the other interest-based banks that were established in Kuwait. The amount of deposits in these accounts has shown even a higher increase. During 1979, the number of Savings Accounts in their bank increased by 255 per cent whereas the amounts of deposits in these accounts increased by 377 per cent. Other Islamic banks also have shown quite a respectable growth in their deposits. The deposits in four major Islamic banks which have been in operation for more than two years have now reached a level of more than 500 million U.S. dollars. These deposits registered a growth of about 150 per cent during 1979 which is a respectable growth when compared with the growth in the deposits of interest-based banks of similar vintage working in same areas.

Investment accounts are generally popular in these banks. Savings Accounts are equally popular only in those banks where these accounts are entitled to share the profits of the bank. Where the Savings Accounts are not entitled to share the profits, the deposits in these accounts are negligible.

B. INVESTMENT ACTIVITIES

As the bank cannot earn interest by lending the money, therefore, the Islamic banks have to undertake investment to earn profit not only for the bank itself but also for the depositors in the investment account. The investment procedures based on the Islamic principles are given below:—

1. *Musharakah (Equity Participation)*

The banks and their clients agree to join in a temporary participation (not quite different from the joint venture concept) for effecting a certain operation within an agreed period of time. Both parties contribute to the capital of the operation, (taken to mean, assets, technical and managerial expertise working capital etc.) in varying degrees and agree to divide the net profit in proportions agreed upon in advance. There is no set formula for profit-sharing and each case is dealt with on its own merits. Operations carried, according to this mode, can vary from weeks to years. In medium- and long-term operations, a self-liquidating form of participation can be agreed upon; whereby the ownership of the whole project or operation may pass to the partner (customer). The bank would have retrieved, in the meantime, an agreed share of profits. The bank may also permanently participate in any trading establishment or building or factory or agriculture till the liquidation of the firm, or may participate temporarily promising to with-

draw its share by selling the same to the partners (and partners also promising the same) by paying the bank's amounts at once or on instalments as per mutual agreement among them. This procedure is also being applied to a few activities other than the investment project. Some of these activities are:

- (i) *Letter of Credit.* If the importer fails to pay the full amount of the letter of credit at the time of the delivery of goods, the bank will not charge him any interest on postponing the payment and will instead, share in the profits of the importer at a ratio agreed upon in advance. Some of the Islamic banks, however, charge nothing if the amount is paid in full at the time of the delivery.
- (ii) *Purchase of Property or Real Estate.* The bank may provide loans for such purchases on the basis of *musharakah*. The bank will assess the rent or annual income from the property or real estate and will share it according to the extent to which he is financing and according to the terms agreed in advance. As the client pays up the instalments of the loan, the bank's share in the income will be reduced till the whole property is transferred to the client.

2. *Mudarabah or Qiradh (Agencies)*

In this procedure of investment, bank contributes all the financing (and the customer contributes only his managerial efforts or labour) and gets again an agreed proportion of the profit actually realized. In both *mudarabah* and *musharakah*, both sides stand to incur any profit depending on the actual performance of the operation. In the *mudarabah* contract, however, the *mudarabah* (the partner offering his effort) will lose nothing but his labour (as the principal capital is not his) in case of financial loss resulting from normal business conditions. The bank who has financed the capital bears all the finance risks. This finance risk justifies the bank to claim his share in the profit. The client is, however, held responsible for the loss of capital, should this be the result of his negligence or wilful act. To guard against this, the bank may require a security from the customer.

3. *Murabahah*

This is a procedure where a partner approaches the bank that certain items (be it a commodity or otherwise) be bought for him and he agrees to pay the bank later on, upon the fulfilment of the actual buying, an agreed percentage of profit. In order to avoid any *riba* element one

of the banks provides that the agreement of the bank and the actual execution of buying do not contribute any legal obligation (according to *Shari'ah*) on the partner to buy. Hence the risk is still that of the bank's. Until the partner fulfils his original promise of "rebuying" the commodity, the risk remains with the bank which justifies the profit. There is, however, also the practice of financing a mark-up with the binding on the buyer to buy the goods. This type of operation is most commonly being used in foreign trade and short-term transactions for purchasing raw materials etc. for the industrial establishments.

4. *Bai Salam (Post Delivery Sale)*

The bank buys certain goods on post delivery and pays the cost immediately or sells certain goods on post delivery and receives its cost immediately. In this sale, cost of goods is fixed and paid in advance but the delivery of the sold item is postponed or delayed up to a certain period. Similarly, the place of delivery, its expenses and quantities of the sold goods should also be fixed and defined as they are conditions for such a sale.

5. *Leasing or Renting the Physical Capital/Equipment*

The bank, in this case, purchases a physical capital/equipment and rents it to his client. This procedure can be converted into a reduced renting procedure whereby the customer, by paying every year an instalment of the value of equipment/physical capital, reduces the rent, till the whole equipment is owned by him and the rent is eliminated.

These tools of investments have theoretically been designed to apply to all sectors of the economy but in practice the investment activities have been found to be concentrating only to real-estate and trade sectors. Kuwait Finance House during their two years of operation concentrated on real-estate. This shared 100 per cent of their investment in 1978 and 94 per cent in 1979. This included rented residential buildings. Similarly, Dubai Islamic Bank described their operational strategy as "to prefer for projects which give quick returns".

Technically these banks are also supposed to invest in long-term and medium-term projects but practically most of their investment is short-run, perhaps, because of the prevalent trend in local markets (in the Middle East).

Mudarabah is more popular form of investment by the Islamic banks. Generally the banks have been found to be able to make 10 to 14 per cent profit on their investment activities. The Tables 1-3 show the profits on investment activities of some of the Islamic Banks:

TABLE 1

Islamic Investment Company of the Gulf

July 31, 1980

Mudarabah	Date of issue	Valuation \$	Increase since inception \$	1980 annualised increase per \$ 100
1st mudarabah 3 years	1.1.79	118.30	18.30	12.60
2nd mudarabah (profits paid 31.5.80)	1.5.79	101.57	1.57	9.47
3rd mudarabah	1.10.79	1065.00	65.00	8.13
4th mudarabah	1.2.80	10.69	0.69	13.80
5th mudarabah 1 year	1.2.80	105.25	5.25	10.50
6th mudarabah 3 years	1.2.80	103.85	3.85	7.70
Monthly institutional mudarabah	Month of July			6.90

TABLE 2

Faisal Islamic Bank of Sudan

Dec. 31, 1979

Average profit on Investment Activities: 13.5 per cent.

TABLE 3

Kuwait Finance House

Dec. 31, 1979

Average Profit on Investment Activities: 10 to 12 per cent

C. BONDS AND SECURITIES

1. *Al-Muqardiah Bonds*

This tool is utilized when a large amount is needed for a big project. The bonds carry shares in the profits of the project. An amount of the bond may be decreased in the same way as the participation is reduced in the case of *Mudarabah* or *Musharakah* or Renting. Two new Jordanian banking groups are working on the scheme to float "Income Bonds" to finance projects being built by the country's Ministry of Islamic Endowment and Religious Affairs. These bonds differ from the normal bonds in that they do not pay any guaranteed or fixed return

to investors. The holders of the bond will take a percentage of the profits of the project that the bonds are financing. The basis of this bond is a participation contract through which one or more partners with their money (the beneficial owners) and another with his efforts (participant) get together to earn profit in a *Halal* trade. Profits will be divided between them on an agreed upon proportion.

2. Islamic Securities (Al-Mudarabah Certificates)

This is similar to the Islamic Bonds in nature and have the same basis as illustrated above. The Islamic Securities, however, are not issued for any specified project. Instead a *Mudarabah* (participation) company is established. This company issues a certificate which is a receipt for the money received and a guarantee by the *Mudarabah* Company to reimburse the proceeds of the company, if any, to the bearer of the certificate at the date of maturity and according to the amount with which he participated. These certificates, of course, bear the element of risk of losses, if any.

The *Mudarabah* Company will then invest all the money it receives in local or international enterprises, in which it is conditioned that it must in no way contradict with the rulings of Islamic *Shari'ah*. With the assistance of a selected group of internationally experienced businessmen in the field of investment and the supervision of leading scholars in *Shari'ah*, the Islamic Investment Companies have prepared various proforma for *Mudarabah* Certificates.

D. LOANS

1. Loan Certificates

These are the certificates through which a *Mudarabah* Company receives Islamic Loans whose maturity is defined but which do not entail, in any way, share in the profits or losses. The Certificate is meant for such Muslims who do not want to take risk of investment but are willing to allow the use of their money for the benefit of and investment in the Islamic Community. Here the Muslim lender is shunning *riba* and is positively participating in a collective Islamic task aiming at spreading Islamic economy and above all the spreading of Allah's words.

The reimbursement of these loans, however, have a priority and their amount is guaranteed.

The public investors have the option to combine both the portfolio (*Mudarabah* Certificate and Loan Certificate) according to their desire for investment and their preference for risk.

2. Benevolent Loans

These loans are provided by banks and the objective of these loans is to produce benefits either for the general public or for charity. There is no interest or return on these loans. Though there is, a provision for a service charge to cover the cost of providing the loan, yet no bank is applying this charge except the Islamic Development Bank in Jeddah. All the commercial banks provide loans free of any charge if they have any provision of such loans.

The service charge, whenever applied to a loan, is claimed to be different from interest on the ground that it is not a fixed percentage of loan, but it is an absolute amount calculated by working out actual costs in providing the loan.

So far, the Islamic Banks are not inclined to provide these loans. Only the Islamic Development Banks are providing such loans for the social and infra-structural projects. The commercial banks have, however, shown willingness to provide personal non-productive loans without any charge after they get properly established and have accumulated enough funds. The criterion for the advancement of such loans will be based on:

- (a) The nature of the need for which the loan is required.
- (b) The credit of the client with the bank.

Thus an old client of the bank requiring loan for his son's education will have a priority over the new client requiring loan to buy an air-conditioner.

3. Short-term Loans

To meet short-term loan/credit requirement of the enterprises, the banks do have the provision to provide such loans without interest or any other charge. However, this too has not been very much in practice. The criterion for advancing such loans theoretically, is:

1. Specific credit needs of the firm.
2. Social priority attaching to the enterprise.
3. Nature of the security against loan.
4. Whether the credit seeker has also obtained term advances from the bank for the same enterprise.
5. Annual, monthly or weekly average of the applicant's balance in current account with the same bank.

Generally, the banks do not encourage the customers to overdraw. In special cases, this may be allowed with the fixation of the maximum date to adjust the said drawn amount. No interest or expenses are charged on such loans. This is treated as *qard-hasanah*.

4. Bills of Exchange

Bills of exchange are also treated under the *mudarabah* principles. Cash is provided against the bill on the condition of a claim in the profits from the sale of merchandise. An interest-free loan may also be advanced. No discounts are allowed in either case.

E. INSURANCE AND UNDERWRITING

Cooperative Insurance

Some of the banks are undertaking insurance as a subsidiary business of their organisation. This insurance is a sort of cooperative insurance. The principle is that all the losses have to be borne by the participants on cooperative basis. The participants will, however, share the profit arising out of the investment of the premium. This principle is being applied to life insurance too. The procedure is that all the participants (policy holders) at the maturity of their policy get all the amount that they had paid as premium plus the share in profit. If a policy holder dies before the maturity of his policy, he gets all the amount that he paid as premium plus the share in profits plus the remaining amount of the policy to be contributed by all the other participants. The participants contribute not only as part of their social obligation but also because they will get the same treatment.

F. PROFITABILITY OF ISLAMIC BANKS

All Islamic Banks are maintaining a satisfactory level of profitability. The profit rate on capital is ranging from 9 per cent to above 20 per cent. This compares almost at par with interest-based banks in their areas. On investment deposits the profits have been paid at the rate of 8 to 15 per cent.

G. RELATIONSHIP WITH OTHER BANKS

Islamic banks are doing business with other banks also in their countries strictly on Islamic principles. The working of Islamic banks has impressed the other banks even in non-Muslim countries particularly those in Europe which are now devising ways and means to do business with Islamic banks.

PART - B

ISSUES -- FACING ISLAMIC BANKS

The Islamic banking as practised now in the world has generally been so far, quite successful. An examination of their working, however, raises a number of issues not only for themselves but also for countries like Pakistan embarking on a programme of Islamising the economy.

Before going into the discussion of issues, I describe the general peculiarities of these banks that give rise to these issues:

1. All the banks are very recently established. The oldest bank was established in 1973.
2. They are located or doing business mostly in the finance-rich countries and they probably have not faced the real problem of raising deposits.
3. They are individual banks working in isolation of the general banking system around them.
4. The banks' operational activities are similar to those of investment companies with no or almost non-existing pure loan account (with the exception of Islamic Development Bank in Jeddah). The commercial banks are particularly avoiding pure consumption loans.
5. The strategy of these banks generally seems to be to look for projects with quick returns. This has specifically been mentioned as "operational strategy" by one of the oldest Islamic Banks in its current annual report. This is also reflected by the facts that the real estate investment is generally one of the major investment activity of these banks.

With these features of the Islamic banks the following issues arise:

1. Tools to Attract Depositors

The Islamic banks so far have done an extensive and intensive research in devising non-usurious procedures to utilize their funds. Very little research has been done in devising the tools to attract deposits. This may be so because they have not yet faced the shortage of deposits. But if they do not pay attention to devise the non-usurious tools to compete with the interest-bearing tools of raising deposits, then these banks are likely to face problem in their growth particularly when they are working side by side with the modern banks. So far Islamic