

DEBT

Romans 13:8, Nehemiah 5:3-12

By Raymond White

Debt is so pernicious that it's challenging to know where to begin a discussion about debt. It's been said that there are two kinds of debt: good debt and bad debt. From my perspective, there is only one kind of debt and that's bad debt.

Rather than unload a lot of my opinions on you, I'll just turn the discussion over to the Bible and let the good book tell you what it thinks about debt.

[1] NATIONAL DEBT

Deuteronomy 15:6 thou shalt lend to many nations but thou shalt not borrow.

Deuteronomy 28:12 thou shalt lend unto many nations and thou shalt not borrow.

A healthy nation can afford to be generous and loan or give to other nations, but God forbids Israel to borrow. Taking that cue, America. Our national debt should be zero.

God instructs Israel against debt. Debt not only destroys individuals and families, but entire nations as well.

[2] GETTING OUT OF DEBT

What's good for the nation is certainly good for individuals. Where ever the Bible talks about debt, it is always bad.

2 Kings 4:7 Then she came and told the man of God. And he [Elisha] said, Go, sell the oil, and pay thy debt, and live thou and thy children of the rest.

Elisha had given this poor woman a miraculous gift from God, an overabundance of oil. But then what? What should she do with it? Elisha's first advice to her was sell the oil and get out of debt. When you're out of debt, even poverty is manageable, but when you're in debt, nothing is manageable.

[3] BORROWING

2 Kings 6:5 But as one was felling a beam, the axe head fell into the water: and he cried, and said, Alas, master! For it was borrowed.

The man's concern was not that he lost an axe head, but that he lost a *borrowed* axe head. Integrity demands that we have more concern for other people's things in our charge than for our own.

[4] SAVINGS

2 Chronicles 17:12 And Jehoshaphat waxed great exceedingly; and he built in Judah castles, and cities of store.

“Cities of store” means reserve. The nation had more produce than it needed so the king saved the surplus. Those were good times.

A wise government saves instead of squanders. America is in deep trouble financially because the government is spending us into oblivion with trillion dollar deficits rather than storing wealth.

[5] CORRUPT BANKERS

Next is a story that you are probably not familiar with, but you should be. When Nehemiah and thousands of Jews returned to Palestine to reestablish their nation, they all came in good faith, wanting to contribute and rebuild the city, seeking the good life in their own new country, Israel. But something got in the way of that dream.

Nehemiah 5:3 Some also there were that said, We have mortgaged our lands, vineyards, and houses, that we may buy corn because of the dearth. :4 There were also that said, We have borrowed money for the King's tribute [borrowed to pay taxes] and that upon our lands and vineyards. :5 Yet now our flesh is as the flesh of our brethren [they own us] our children as their children: and, lo, we bring into bondage our sons and our daughters to be servants, and some of our daughters are brought into bondage already: neither is it in our power to redeem them; for other men have our lands and our vineyards. :6 And I [Nehemiah] was very angry when I heard their cry and these words. :7 Then I consulted with myself, and I rebuked the nobles, and the rulers, and said unto them, Ye exact usury, every one of his brother. And I set a great assembly against them. :8 And I said unto them, We after our ability have redeemed our brethren the Jews, which were sold unto the heathen; and will ye even sell your brethren? Or shall they be sold unto us? Then held they their peace and found nothing to answer. :9 And I said, it is not good what ye do: ought ye not to walk in the fear of our God because of the reproach of the heathen our enemies? :10 I likewise, and my brethren, and my servants, might exact of them money and corn: I pray you, let us leave off this usury. :11 Restore, I pray you, to them, even this day, their lands, their vineyards, their olive yards, and their houses, also the hundredth part of the money, and of the corn, the wine, and the oil, that ye exact from them. :12 Then said they, We will restore them, and will require nothing of them; so will we do as thou sayest. Then I called the priests, and took an oath of them, that they should do according to this promise.

Here we have the same old story. It seems that the more things change the more they stay the same. Banks and governments enrich themselves by bleeding the ordinary people with taxes and interest.

Jewish workmen were rebuilding the city and Jewish farmers were supporting them, just everyday working folk, trying their best to contribute their time and energy into rebuilding the city and its wall, and wouldn't you know it, as always, scum-sucking politicians and greedy bankers jump in and take advantage of the situation and bleed the people dry taking their farms and houses and even selling their children into slavery.

How does that happen? The people can't pay their onerous taxes so they borrow money from the bankers. But the people can't pay back those loans because of the onerous interest so the banks foreclose and sell the people into slavery.

So Nehemiah reads them the riot act, but then when they finally acquiesce, Nehemiah doesn't trust them to keep their word so he makes them take an oath.

Is this any different that America today? Not a bit. Except we don't allow slavery. Oh really? The banks suck away lifetimes of work and that's not slavery? We, all of us ordinary people find that by the time we reach retirement age that we've squandered away maybe 80% of our total life's wealth, stolen from us by the government and by the banking system. And how is that not slavery? I recommend that you Google up articles about the Federal Reserve Bank and begin to understand why you're still paying that million dollar mortgage debt for that \$300,000 house you bought thirty years ago, and why your lifetime of earnings has been sucked away by bank usury.

Here's the short version of how this sucker's game works. You want to buy a house. The accommodating banks loans you money, fiat money which doesn't exist until it is conjured into existence by the Federal Reserve System. So now you can gratefully buy your house and owe your soul to the bank.

But wait a minute. Why did you have to borrow the money? Because house are so expensive. Why are they so expensive? Why indeed. Because the ever increasing supply of fiat money that the Federal Reserve System creates out of nothing continually drives up the price of everything. It's call inflation, folks. Whatever the government subsidizes, its price goes up. Like health care. Want to know why the cost of health care keeps going up? Because the government keeps subsidizing it. Real estate behaves just like that.

So the upshot is that what you should have been able to buy without debt or low debt you cannot buy without incurring massive, lifelong debt simply because the banks and government finance it. And they get away with this crime because the money doesn't really exist except as they create it on the fly. And you, poor mortgagee, now owe the bank a lifetime of your work which has been stolen from you by a corrupt bank system. And we don't call that slavery? Why not? Oh, because we have a 13th amendment that says there's no slavery. I see.

All that from Nehemiah? Yes, because that's what our government and our Federal Reserve banking system have been doing to us, robbing us of our wealth.

Psalms 15:1 Lord, who shall abide in thy tabernacle? who shall abide in thy holy hill? :2 He that walketh uprightly, and worketh righteousness ... :5 He that putteth not out his money to usury.

Righteous people don't loan with interest. Well, that would be extreme wouldn't it? That would shut down half (or all) the world's commerce. Or would it?

There is something reasonable in this. Why *should* the world's economy be centered around debt, and more to the point, unlimited debt? Debt is unlimited because the currency is unlimited. Increasing currency inflates prices, which increases the velocity of money which inflates prices even more to where everyone owes money for things purchased at higher prices than their true value.

Banks get rich at everyone else's expense. My own opinion? The world would be better off without banks! Well, I don't mean banks in general, I mean the Federal Reserve

banking system. Why should governments and their central banks control economies with their fiat money? That's the fox watching the henhouse. Governments and the FED rob the people blind with taxes and inflation and interest, constantly sucking away our GNP into their rat hole spending programs. *We*, the people, create wealth. The government and the FED suck away our wealth with inflation, and they get away with it because they control the currency.

And the president who caused it to happen, Woodrow Wilson, knew it. After the damage was done, he said, "I am a most unhappy man. I have unwittingly ruined my country. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men. We have come to be one of the worst ruled, one of the most completely controlled and dominated governments in the civilized world. No longer a government by free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and duress of a small group of dominant men."

Did I get all that out of this one little verse? Actually, yes. All that verse says is, debt is bad. Well if debt is bad (and it is), then why is our entire economy based on debt? There's only one reason that I can think of: to enrich the banks and the government at the expense of the people. America operates under the notion that the American economy *needs* the Federal Reserve banking system, and that is the big lie. The American economy and American families would do just fine and would be far better off if the FED and its parasite system would just go away.

Thomas Jefferson knew it from the beginning. In 1802 he said: "I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around the banks will deprive the people of all property until their children wake-up homeless on the continent their fathers conquered."

Jefferson was exactly right, and that is exactly what has happened.

What might we do that might actually help? My suggestion: Fire that damned FED and default on the trillions of dollars that the American government and the American people owe to the FED. Almost half (40%) the national debt is owed to the FED. Defaulting on the FED would immediately free up trillions of dollars with the stroke of a pen, money that would fund Social Security, Medicare, and the interest on the national debt. That would give our bond holders (like China for instance) a warm fuzzy feeling that we maybe can manage our financial affairs after all.

But who would print our currency? The U.S. Treasury of course. And they would do so without charging interest — it is after all their job, we pay them to do that with our taxes.

We really should return to the gold standard. That's a harder sell but it should be done. The point of a gold standard is to prevent the government from robbing us by inflation.

Now here are some outrageous ideas that you haven't heard of. The U.S. Treasury should become a fourth branch of government, not beholding to congress, with the same veto authority as the Supreme Court. The Supreme Court vetoes laws it determines to be unconstitutional. Fair enough. The Treasury should veto laws that are fiscally unsound; that is, congress and the president should be forced — and I do mean *forced* with full

arresting police powers — to balance each and every budget. Government should not be allowed to overspend, borrow, inflate, co-mingle, or levy taxes without demonstrating reciprocating value. Government must be held fiscally accountable with full disclosure, just as corporations are. The American voters must not be allowed to vote the nation into bankruptcy. And candidates must be *required* to explain how he intends to pay for each campaign promise without overspending the budget, and if he is lying, it is the treasury's duty to expose such campaign lies. In short, the Treasury's duty should be to maintain a sound economy and to do so without scamming wealth away from the American people.

[5] DEFAULTING

Psalms 37:21 The wicked borroweth, and payeth not again: but the righteous sheweth mercy, and giveth.

Being a deadbeat is no different than being a crook. Borrowing and not repaying is just a clever way of stealing. How about borrowing then repaying with devalued dollars? Our government does that all the time. Inflation is a thief that robs from us all.

[6] LENDING

Psalms 112:5 A good man sheweth favour, and lendeth...

It's tempting to just never lend, as Benjamin Franklin said, "Neither borrower nor lender be." But that overlooks the fact that sometimes poor people get desperate and have no choice but to ask you for a loan. To refuse is unkind. However, when you've loaned to a desperate person, don't demand it back. Doesn't that make it a gift? Well, maybe. It depends on what the desperate person is able or not able to do. There is the parable of the forgiven servant, *Matthew 18:24-27*. The story goes awry, but ignoring the sad ending, that the master was willing to forgive the debt at all is its own message.

I said above that we'd be better off without banks, then I retracted it. It's not banks per se that are evil, it is the Federal Banking system where banks loan money that doesn't exist, thus earning interest from nothing, essentially an infinite yield and inflating the economy so that no one can buy what they need without incurring debt. That's theft and that's evil. What banks should do is loan money *that they have*. There are times when people need to borrow, but those should be exceptional circumstances like building a business, and banks should accommodate that. Our problem is that we borrow in *normal* circumstances to constantly keep pace with a FED induced inflation. Get rid of that and borrowing and lending can do what it's supposed to do: finance rare ventures.

[7] SURETY

Proverbs 6:1 My son, if thou be surety for thy friend, if thou hast stricken thy hand with a stranger :2 Thou art snared with the words of thy mouth.

Proverbs 11:15 He that is surety for a stranger shall smart for it: and he that hateth suretiship is sure.

Proverbs 17:18 *A man void of understanding striketh hands, and becometh surety in the presence of his friend.*

Proverbs 22:26 *Be not thou one of them that strike hands, or of them that are sureties for debts.*

It's foolish to get into debt, but to incur someone else's debt, that's even more foolish. Contracts of debt are traps, and especially of other people's debts.

Don't co-sign another's debt. That "friend" of yours will leave you hung out to dry. Then you'll see how much of a friend he really was, when he leaves you on the hook for his debt. Well, sometimes it's worth the price to be rid of such a "friend."

[8] LAZINESS

Proverbs 12:24 *... the slothful shall be under tribute.*

Lazy people find themselves hopelessly in debt. Not just because they won't work to pay off their debts, but because laziness breeds expensive tastes. When you're not working, you spend excessively.

[9] RICH AND POOR

Proverbs 22:7 *The rich ruleth over the poor, and the borrower is servant to the lender.*

Debt abdicates freedom. When you borrow, you make yourself a slave. Debt is like a ball and chain. The more debt you have, the less choices you have.

[10] DEBT FREE

Romans 13:8 *Owe no man any thing...*

There's no simpler way to say it, "owe no man anything," live debt free.

1 Corinthians 7:23 *Ye are bought with a price; be not ye the servants of men.*

Whatever else this verse mean it certainly means don't borrow. Debt makes you a slave to someone else.

[11] FINAL ADVICE

I know that many people get rich from so-called "good debt." People like Donald Trump make billions from the leverage of borrowed money invested into big real estate. But I know other people who had millions and lost it all including profitable businesses because leverage is a two edged sword that can tear you apart when things go bad. I've

known several millionaires (three off the top of my head) personal friends who lost everything because of heavy debt at exactly the wrong time.

My advice is this: Yes, leverage gives you an advantage, but that increased advantage is balanced by increased risk. And a wise part of investing is knowing when to take money off the table, pair down your risk, and retire debt. Yes, you might enjoy a bigger nicer house by submitting to a bigger mortgage. But what if you lose your job next year? Isn't it better if you're not teetering on that "what if" precipice?

Debt is like Jesus' second temptation: It's easy to convince yourself that if you jump off the pinnacle that God will catch you. Well, he might, or he might not.

Debt is also like crossing a river one stone at a time. You could jump from stone to stone even skipping some stones to speed your crossing. That might make sense if a bear is after you. But ordinarily, securing each step before you commit to it makes more sense. It is more comforting, though slower, to make sure that your next step is secure on the next stone before you remove your previous step from the previous stone. You could maybe run across, but chances are you'll get drenched.

When you pay off a debt before moving ahead, you eliminate just one more potential for disaster. And that's a good thing.

Here's a saying to appropriately end this subject: "The man who seeks to be rich in a day will be hung in a year" (Leonardo Da Vinci). Leonardo may have had in mind horse thieves and bank robbers, but I think he could just as well have had in mind America's debt ridden society.