

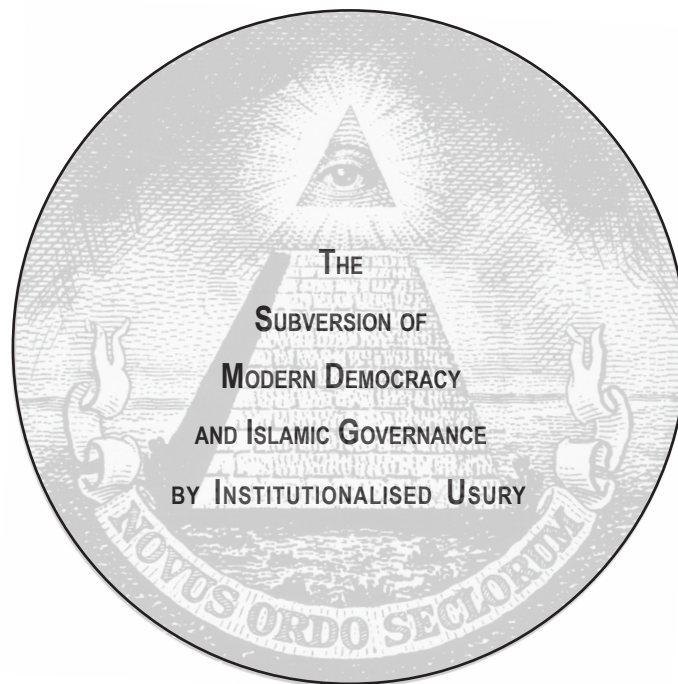
**UNIVERSITAS MUHAMMADIYAH JAKARTA**

**SEMINAR INTERNASIONAL : 10 – 11 MARET 2015**

**“MENGEMBALIKAN DINAR DAN DIRHAM SEBAGAI MATA UANG SYARI’AH  
DALAM PERJUANGAN UNTUK MENYELAMATKAN PEREKONOMIAN GLOBAL”**

**RABU, 11 MARET 2015 ~ SESI 3**

**“Kegagalan Sistem Demokrasi Sebagai  
Tata Kehidupan Masyarakat dan Islam sebagai Solusinya”**



**by Hajj Ahmad Thomson**

### **Modern Democracy**

In its original Greek form, democracy involved the selection of political leadership from a political elite by that political elite. The political system of classical Athens, the main source of modern democracy, granted democratic citizenship to an elite class of free men – and excluded slaves and women from political participation. In virtually all democratic governments throughout ancient and modern history, democratic citizenship consisted of an elite class until full enfranchisement was won for all adult citizens in most modern democracies, including eventually women as well as men, through the suffrage movements of the 19th and 20th centuries.<sup>1</sup>

This evolution of gradually granting more and more citizens over a certain age the eligibility to vote in elections in order to decide their political leadership was accompanied by the apparently unconnected parallel evolution of the national debt – although this in turn reflected the need for democratically elected governments to wage more and more costly wars, usually conducted from the relative safety of their home offices and not by personal leadership on the battlefield.

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<sup>1</sup> <http://en.wikipedia.org/wiki/Democracy>

In the early years people were taxed directly by monarchs to finance their wars, but when it became necessary to raise more finance than the general public could afford, then this was raised by means of loans from financial institutions (who were perfectly happy to finance both sides of any conflict, since they profited from both), with taxation then being used to raise revenue to service these debts – but not to pay them off. For example:

There was one such financier who occupied a privileged place in the court of Louis XIV of France. A chronicler from the period said of him, “That he could often be seen walking in the garden with the King. That he supported the State like the rope supports the hanging man.”<sup>2</sup>

Part of this “support” involved the replacement of direct rule by Christian monarchs with democratic rule by means of secular laws, with the guillotine being substituted temporarily for the hangman’s noose during the French revolution. In the name of “human rights” the members of a once powerful ruling class were deprived of all of their human rights, even the right to life! While the new ruling class replaced the former ruling class, the “support” provided by the financial elite continued without interruption.

This profound sea change in temporal governance was assisted by the fact that very few Christian monarchs actually ruled in accordance with the teachings of Jesus, peace be on him. By the time the Normans arrived in England, they were promoting a version of Christianity which was far removed from the original teachings of Christ who had been sent to – and only to – the twelve tribes of Israel (another of the names of Jacob from whose sons the twelve tribes are descended). Once part of the teachings of Jesus were introduced into Europe, they were changed dramatically. This “divine” law succumbed to European customary law, which in so many ways still defines what European Christianity is today.

In the end a compromise was reached whereby the king or queen would be a ‘Christian’ and would claim to be the temporal representative of the divine law in accordance with the convenient doctrine of appointment “by divine right” – which further asserted that whatever the king or queen said or did was inspired by God. If the king or queen did not actually follow the divine law, as they clearly did not, then inevitably many injustices crept in. This was why the Magna Carta became necessary.

As long as a royal family was in power there was never any mention of “the state” – but when power was taken away from the kings and queens then the whole doctrine and notion of the state emerged. But you can never say that you want to see the state tomorrow afternoon at 3 p.m. because it doesn’t exist, it is an abstract entity. It is just a fiction that is used by the people who wield power to hide behind and a mechanism for ensuring the continuation of their status quo – which is pyramidal in structure.

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<sup>2</sup> *The Traitor, An Essay on Ezra Pound*, p.9, Robert Luongo. Madinah Press, Granada, 1992

In the time of Moses, peace be on him, the pyramids were physical – today they are invisible. Even a brief analysis of “state” structure reveals a pyramid shape and this is why one of the main freemasonic symbols is that of a pyramid with the all-seeing eye.

As it evolved, modern democracy was marketed as the only viable means by which a country’s populace could choose their rulers – but, almost imperceptibly, in fact the electoral roll became the principal means by which tax payers were identified and tracked, in order to ensure maximum tax revenue – and as national debts blossomed, politically elected governments became increasingly dependent on and subservient to their financiers – who were accordingly increasingly able to dictate what projects they were willing to finance:

By far the most notorious name in banking, having established themselves as moneylenders early on in European history, was that of the House of Rothschild. When a certain Mr Rothschild, descendant of this ingenious family, finally crossed the Atlantic to America, he was asked if he was going to become King of America. His answer is most significant; “Give me control of the issuing of money and credit and I care not who sits in the ‘house of politics’.”<sup>3</sup>

The recent US invasion of Iraq, for example, was financed almost entirely on borrowed money, simply because this was perceived by the US financiers as being a sound albeit risky investment.

Thus the *raison d’être* for the cultivation of national debts became more a matter of establishing a powerful control mechanism rather than simply making money by charging interest on debt.

As national debts blossomed and financiers harvested their fruits, tax payers also became increasingly obliged to borrow money from the financiers in order to survive. As a result political election campaigns were often fought and won or lost on the basis of which party promised to tax people the least without increasing the national debt too alarmingly.

The rate at which indebtedness to the financiers accumulated, both by political rulers and by the politically ruled, was exacerbated by the practice of usury. There are several forms of practices which are inherently usurious, but perhaps the best known form is that of charging interest on a loan. It is by this means that money is created out of nothing – nowadays at such a rate that not only the original loan but even the interest on it become unrepayable.

In more recent times money has also come to be created out of nothing by means of what is euphemistically described as “quantitative easing” – a process whereby a country’s central bank (or in the case of the USA, its private bankers’ cartel, the Federal Reserve) simply inputs the numerical equivalent of the desired amount of extra money required into its computer system and then uses this to purchase government bonds.

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3 *Ibid.*

Needless to say individual tax payers do not enjoy a similar freedom to increase their bank balances via their keyboards!

The inevitable result of creating digital money out of nothing is that the purchasing power of money decreases proportionally. It is naive to believe that the value of my house has doubled during the last ten years, when if anything its material condition has depreciated. My house's "doubling in value" reflects the stark reality that in fact the purchasing power of bank controlled currency has halved during this period.

This steady dilution of digital currencies worldwide has been exacerbated by the fact that they have no intrinsic value. They used to be promises to "pay the bearer on demand" the amount of gold or silver recorded on a goldsmith's or silversmith's IOU. Once it had become common practice to print at least 13 IOUs for every equivalent amount of gold actually held in reserve – and then to create more of these IOUs out of nothing by loaning some of these printed IOUs on interest, it was only a matter of time before it became impossible to honour such promises – and so paper money became fancy designs and numbers printed on durable paper, used as a means of measuring value and as a means of exchange. Nowadays most digital currencies are really no more than numbers stored on hard drives, somewhere "in the cloud".

If, for example, the amount of dollars owed by the US government to its financial lenders were to be printed in one dollar bills and piled one on top of each other (in mint condition) then they would reach to the moon and back several times over.<sup>4</sup> In fact there simply are not enough trees left on our ravaged earth to make into paper to print that many notes.

## Islamic Governance

The basis of Islamic governance is very different to that of the European Christian monarchies and of the secular democratic method which has rendered those monarchies either non-existent or, if permitted to survive, politically powerless. This is because the source of Islamic governance is a Messenger of God who was given a divine revelation which he embodied and acted by, may Allah bless the Prophet Muhammad and his family and his companions and followers and grant them peace.

It could be said that the Prophet Muhammad enjoyed a "divine right", just like the European Christian kings in the past – but his freedom to act was both defined and curtailed by the guidance he had been given, the Qur'an, and accordingly it did not give him the right to do as he pleased and to tax as he pleased. There has never been any need for those who follow him truly to demand the equivalent of the Magna Carta.

Before the Prophet Muhammad died, he indicated that sayyidina Abu Bakr as-Siddiq should succeed him as the ruler of the Muslims – which is what happened – a wise choice made by a wise man. After the Muslims had pledged their allegiance to him, sayyidina Abu Bakr as-Siddiq addressed them as follows:

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<sup>4</sup> <http://www.nationaldebtclocks.org/debtclock/unitedstates>

And now, people, I have been put in authority over you and I am not the best of you. So if I do right then help me, and if I do wrong then put me straight. Truthfulness is a sacred trust and lying is a betrayal. The weak one among you is strong as far as I am concerned until I restore him his right, insh'Allah. No people forsake jihad in the way of Allah but that Allah delivers a humiliating blow to them. Nor does indecency ever spread among a people but that Allah envelops them in trials. Obey me as long as I obey Allah and His Messenger, and if I disobey Allah and His Messenger then you do not owe me obedience.<sup>5</sup>

Will we ever hear the Prime Minister of the UK utter words like these?

Before he died, sayyedina Abu Bakr as-Siddiq said that sayyedina Umar al-Farruq should succeed him as the ruler of the Muslims – which is what happened – a wise choice made by a wise man.

Before he died, sayyedina Umar al-Farruq said that he would have named one of two men as his successor, had they not predeceased him. He accordingly left it up to six men to choose from amongst themselves who should succeed him as the ruler of the Muslims – which is what happened – a wise arrangement made by a wise man, as a result of which sayyedina 'Uthman ibn 'Affan was chosen as the next ruler.

When sayyedina 'Uthman ibn 'Affan was murdered without having named a successor, it was left to the earliest and the wisest of the companions of the Prophet Muhammad, those who had fought in the battle of Badr and who were still alive, to choose the next ruler. After shura (mutual consultation) they chose sayyedina 'Ali ibn Abu Talib – a wise choice made by a group of wise people.

When sayyedina 'Ali ibn Abu Talib was murdered, after some disagreement the rulership passed to Mu'awiyya, who is recorded as saying, "I am the first of the kings of the Muslims – and the best of them." Before his death, Mu'awiyya appointed his son Yazid as his successor. In this way, dynastic rule was introduced for the first time into Islamic governance – and with it the possibility that somewhere down the line the next ruler, the present ruler's son, might not in fact be the most knowledgeable and God-fearing of the Muslims. As a result, it became necessary for Muslim rulers to cultivate the popular support of those whom they governed.

When the situation arose in which Muslims in Madina were pledging allegiance to Abdalmalik ibn Marwan while Muslims in Makka were pledging allegiance to Abdullah ibn Zubair, both leaders sent emissaries to the recognised people of knowledge and wisdom of the time, requesting their support. Sayyid ibn Al-Musayyab, for example, may Allah be pleased with him, declined to choose between them. Instead he said, "We will follow the people in what they choose," – meaning that he would follow the majority.

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5 *The History of the Khalifahs Who Took the Right Way* by Jalal ad-Din as-Suyuti, pp. 57-58, translated by Hajj 'Abdassamad Clarke. Ta-Ha Publishers Ltd, London, 1995.



It is in this choice that we recognise a certain resonance with one of the main principles of secular democracy, namely that the majority view should be recognised and followed.

It hardly needs to be pointed out that in most modern democracies today, “the majority” is either silent or has been silenced and political leaders are only elected by a majority of the minority who voted – and not by a majority of the people eligible to vote. And if, for example, a Muslim leader is elected in North Africa, then it is not long before an army coup “votes” him out of office and into prison. This is because another principle of secular democracy is that secular democracy is only for secularists.

Principles are one thing, but practice is often something completely different.

During the first thirteen centuries of Islamic governance, there have been various dynasties in various parts of the world, characterised by a rich variety of rulers (“some were bad and some were good and some have done the best they could” - Tom Paxton) – but it can be seen that whoever was closest in following the example of the Prophet Muhammad and the first four rightly-guided khalifs, in embodying and acting in accordance with the guidance contained in the Qur’an and the Sunnah of the Prophet Muhammad, may Allah bless him and grant him peace, was given the most success. Rich civilisations (characterised by minimal indebtedness and minimal taxation) were established when and wherever the prophetic model was honoured and followed.

During these thirteen centuries of Islamic governance, a successful ruler always enjoyed the support of the majority, even though usually he and occasionally she had never been elected by that majority.

This political and social patterning changed dramatically with the advent of the European colonial era which spanned the eighteenth, nineteenth and early twentieth centuries CE and which resulted inter alia, in 1924, in the final eradication and dismemberment of the by then heavily indebted Muslim Khalifate. Today what were traditionally known as the Muslim lands have been carved up into separate nation states – who like their European counterparts compete with each other in national sports stadiums and whose political governance is a combination of some “Islamic” elements and many secular practices, including, above all, complete subservience to a global financial economy which is inextricably immersed in usury.

How did this happen?

### **Institutionalised Usury**

The practice of usury (riba), a means of getting something for nothing by exploiting need, has always been forbidden by prophetic guidance, including the Shari’a of Ibrahim (Abraham), the Shari’a of Musa (Moses), the Shari’a of ‘Isa (Jesus) – who was sent to revive the Shari’a of Moses – and the final Shari’a, the Shari’a of Muhammad, may the blessings and peace of Allah be on all of them. As Allah states in the Qur’an:

Those who practise riba will not rise from the grave  
 except as someone driven mad by Shaytan's touch.  
 That is because they say, 'Trade is the same as riba.'  
 But Allah has permitted trade and He has forbidden riba.  
 Whoever is given a warning by his Lord and then desists,  
 may keep what he received in the past  
 and his affair is Allah's concern.  
 But all who return to it will be the Companions of the Fire,  
 remaining in it timelessly, for ever.  
 Allah obliterates riba but makes sadaqa grow in value!  
 Allah does not love any persistently ungrateful wrongdoer.

Those who believe and do right actions  
 and establish the prayer and pay zakat,  
 will have their reward with their Lord.  
 They will feel no fear and will know no sorrow.

You who believe! have taqwa of Allah  
 and forgo any remaining riba  
 if you are believers.

If you do not, know that it means war from Allah  
 and His Messenger.  
 But if you repent you may have your capital,  
 without wronging and without being wronged.<sup>6</sup>

And:

You who believe! do not feed on riba,  
 multiplied and then remultiplied.  
 Have taqwa of Allah  
 so that hopefully you will be successful.  
 Have fear of the Fire  
 which has been prepared for the unbelievers.  
 Obey Allah and the Messenger  
 so that hopefully you will gain mercy.<sup>7</sup>

This is reflected in the hadith:

Abdullah ibn Mas'ud related that the Messenger of Allah, may Allah bless him  
 and grant him peace, cursed the one who accepted usury, the one who paid  
 it, the witness to it, and the one who recorded it.<sup>8</sup>

6 *Qur'an* : 2. 275-279

7 *Qur'an* : 3. 130-132

8 *Sunan* of Imam Abu Dawud: 16.1249.3327

In spite of these clear warnings the practice of usury has always remained popular, especially among those who believe that this world is all there is to life – and indeed in every age there have always been people within their respective religious communities who have sought to circumvent the divine prohibition of the practice of usury.

Some Jews, for example, have asserted that the prohibition only applies to transactions between Jews – and that Jews are free to subject the goyim (non-Jews) to usurious contracts. Some Christians, including Calvin and Luther as part of their reformation package for European Christianity, assert that the prohibition only applies to unreasonably excessive usury – but not to “reasonable” usury. Some Muslims have persuaded themselves that if usury is re-defined as being a “service charge”, then it is no longer usurious – while others have more honestly asserted that the price of being thoroughly “modern” includes accepting and utilising the practice of usury.

Today the practice of institutionalised usury is so pervasive that most people are obliged to enter usurious transactions as a matter of everyday necessity, whatever their religion or belief may be:

Abu Hurayrah related that the Messenger of Allah, may Allah bless him and grant him peace, said, “A time is certainly coming to mankind when only the receiver of usury will remain, and if he does not receive it, some of its vapour will reach him.” Ibn ‘Isa said, “Some of its dust will reach him.”<sup>9</sup>

As we have already seen money as a means of exchange has changed from gold and silver (accompanied by base metal small change) – to paper and eventually plastic (accompanied by base metal small change) – to virtual electronic digital units which are increasingly utilised for internet buying and selling and monitored via internet banking (with no need for base metal small change).

We are approaching the reality envisaged by George Lucas in his first film *THX 1138* in which everyone has a number to identify them and all transactions are measured in electronic digital credits and debits, thereby rendering “cash in hand” obsolete. As one of the characters in the film (in fact a hologram) remarks:

“It all happened so quickly, hardly anyone noticed.”

During the bi-metal precious metal era, gold and silver could be used as an international means of exchange on the basis of quality and weight – the design stamped on the metal coin did not really affect its value, since in this phase it had not become a numismatic collector’s item whose market value had become associated with its relative rarity and availability, rather than simply its intrinsic value.

During the early IOU paper phase when the “promise to pay the bearer on demand” could still be honoured, even these paper notes could be used internationally since they enjoyed a recognised value which was directly related to the gold and silver for which they could be redeemed.

<sup>9</sup> *Sunan of Imam Abu Dawud*: 16.1248.3325



During the later IOU paper phase when the “promise to pay the bearer on demand” could no longer be honoured – principally because so much nominal money had been created out of nothing by means of usurious loans – most of the major currencies were no longer backed by gold and silver. At this stage they became commodities in themselves – whose value was directly related to their perceived stability and worth. At this point in time, during the second third of the twentieth century, only the US paper dollar (whose name derives from the former European silver thaler coin) was backed by gold and silver – and for this reason it was regarded as the currency by which the market values of all other currencies were measured.

In addition, nearly all transactions involving the purchase of crude oil (“black gold”) had to be in US dollars. This was one of the conditions imposed by the US oil companies in return for their developing the extraction of the world’s oil reserves.

The first commercial exploitation of crude oil began in Oil Springs, Canada, in 1858. By the time the US dollar ceased to be backed by gold in 1973, the North American oil industry had expanded across the face of the earth, including many of what were traditionally known as the Muslim lands. During this period, in tandem with the expansion of the oil industry, an international banking network had also been developed and established across the face of the earth, including many of what were traditionally known as the Muslim lands. National governments were persuaded to exchange their gold and silver coins and reserves for the new “modern” paper currencies – in reality unredeemable IOUs – whose value could be manipulated with ease on the international money markets and exchanges.

The strategy of fostering unrepayable national debts in Europe was extended overseas in what has become termed the neo-colonial phase, whereby former colonies were granted political independence once economic dependence on the international banking system had been firmly established. While they were granted the headache of governing in accordance with various hybrid forms of constitutional democracy, these newly “independent” countries remained subjected to the conditions imposed by the World Bank and the International Monetary Fund which ensured that their valuable natural resources could be purchased in return for national loans in their local currencies artificially devalued on the international money markets.

In other words, overt political dependency was replaced by covert economic dependency.

After the US dollar ceased to be backed by gold in 1973, the “price” of oil in paper money terms soared momentarily, but was stabilised due to its being linked to the petro-dollar.

One aspect of the profound wisdom of the Shari’a is that in fact an IOU, **even if** it is backed by gold or silver, cannot be used as a valid means of exchange, or to pay zakat. Only an *‘ayn*, which has intrinsic value can be used for these purposes – and **never** a *dayn*, which is a debt.

During the last forty years this “special” relationship has been vigorously protected. When, for example, King Faisal of Saudi Arabia demanded that the country’s black gold be purchased with real gold and refused to be persuaded by Henry Kissinger to remain loyal to the US petro-dollar, he was assassinated on the 25 March 1975 / 12 Rabi’l-Awwal 1395 (the Prophet Muhammad’s birthday, may Allah bless him and grant him peace). When Saddam Hussain of Iraq started to sell crude oil for Euros, he ended up being hanged on the 30 December 2006 / 10 Dhu’l-Hijja 1427, the day of sacrifice on the ‘Id al-Adha. As its plans to sell crude oil for Euros have become public, Iran has been subjected to international sanctions and the threat of imminent nuclear attack by the IAF (Israeli Attack Forces).

Another victim of this “special” relationship has been the collection and distribution of zakat. For example, during the oil boom in the 1970s when billions of petro-dollars were flowing copiously into its national bank accounts, the government of Saudi Arabia righteously declined to accept interest on its large credit balances. It then discovered that the banks were still creating money out of these deposits by way of interest and giving it to Israel to buy arms to kill Palestinian and Lebanese Muslims and Christians. So the Saudi Arabian government then decided to accept the part of the interest to which it was ‘entitled’ and to give it away to Muslims as ‘sadaqa’. In effect this replaced the zakat – which in any event should have been paid on the oil in the first place.

Of course if the government of Saudi Arabia had insisted on payment for oil in gold and silver, and had paid zakat on that gold and silver, in gold and silver, and had distributed that zakat to the poor Muslim countries, then those same Muslim countries would not now be shackled by the vast national debts which are owed to the banks which utilise the deposits of the wealthy Muslim countries to provide the loans which result in the vast national debts of the poor Muslim countries – irrespective of whether or not the wealthy Muslim countries accept part of the interest accruing on their bank deposits or not.

Today the future of the current (no longer “new”) world order, which continues to be advertised on the US one dollar bill (*NOVUS ORDO SECLORUM*)<sup>10</sup> hangs in the balance. The current global financial system depends on the stability of the US dollar, which in turn depends on its remaining the overriding main currency for the purchase of crude oil. All the countries which sell their crude oil in exchange for US petro-dollars will only remain “rich” if the petro-dollars which they retain or invest are perceived as having value. This can only continue if the “special” relationship between oil and the US petro-dollar is maintained.

The USA itself is so deeply in debt that it can never repay its national debt – meaning that it is already technically bankrupt. The interest accumulating on it is marked in

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10 <http://watch.pair.com/mason.html>

real time by a glorified petrol pump purchase counter.<sup>11</sup> Like an advanced cancer, the international usurious financial system is devouring its host body, the world, at an increasingly alarming rate.

In the past, whether at a local or national level, when debts which have exponentially accumulated as a result of the mathematically induced spiral of the compound interest equation have reached unmanageable proportions, they have simply been written off, in part or in whole, so that the usurious system which produced them could continue to stagger on for a little while longer. This has been happening periodically throughout the last two millennia, although never on a global level.

It is ironic that at the very point where the subversion of modern democracy and Islamic governance by institutionalised usury has been completed on an international basis, the disease which this process has generated and exacerbated is now so far advanced, that it appears increasingly unlikely that it will be feasible to revive the current financial system after it, insh'Allah, has collapsed:

The metaphor of those who take protectors beside Allah  
is that of a spider which builds itself a house;  
but no house is flimsier than a spider's house,  
if they only knew.<sup>12</sup>

This will mean that modern constitutional democracy will cease to be the means which is used to mask the financial imperium which is currently orchestrated by an unelected financial elite whose mandate is their own, and not that of any known electorate. This in turn will mean the opening up of the possibility of a return to authentic Islamic governance, based firmly on the divine guidance of the Qur'an and the example of not only "the best of creation", the Prophet Muhammad, may Allah bless him and grant him peace, but also of those who have followed sincerely in the dust of his blessed footsteps, including the khulafa ar-rashidun, may Allah be pleased with them – an example which the usury infected financial elite have fiercely opposed for the last two centuries, simply because it is so vastly superior to theirs. As Allah states in the Qur'an:

Who could do greater wrong than someone  
who invents a lie against Allah  
when he has been called to Islam?  
Allah does not guide wrongdoing people.

They desire to extinguish Allah's Light  
with their mouths  
but Allah will perfect His Light  
though the unbelievers hate it.

11 <http://www.nationaldebtclocks.org/debtclock/unitedstates>

12 *Qur'an* : 29. 41

It is He who sent His Messenger with guidance  
and the Deen of Truth  
to exalt it over every other deen,  
though the idolaters hate it.

You who believe! shall I direct you to a transaction  
which will save you from a painful punishment?

It is to believe in Allah and His Messenger  
and do jihad in the Way of Allah  
with your wealth and your selves.

That is better for you if you only knew.

He will forgive you your wrong actions  
and admit you into Gardens  
with rivers flowing under them,  
and fine dwellings in the Gardens of Eden.

That is the Great Victory.<sup>13</sup>

### The Remedy

The remedy for curing the world's current usurious pseudo-currency financial malaise is refreshingly simple. It is to be found in the Prophet Muhammad's farewell khutba (sermon) which he delivered not long before his death at the conclusion of the rites of his final pilgrimage in and around Makka. During it, he stated:

"... You will surely meet your Lord and He will ask you of your works. I have told you. He who has a pledge let him return it to him who entrusted him with it; all usury is abolished, but you have your capital. Wrong not and you shall not be wronged. Allah has decreed that there is to be no usury and the usury of 'Abbas b. 'Abdu'l-Muttalib is abolished, all of it ..."

Thus the remedy to the modern dilemma as to how long it will remain possible to continue servicing spiralling national debts by means of increasing taxation is from a Shari'a perspective very simple: instead of taxing the general populace, tax the debt – repay the original capital sum loaned and **write off all** of that part of the debt that has been generated out of nothing by charging compound interest.

It came from nothing – so return it to nothing!

For as the Prophet Muhammad said, may Allah bless him and grant him peace:

"No matter how much riba increases, it will ultimately lead to less."<sup>14</sup>

Thus in a recent petition made to the British Chancellor of the Exchequer and entitled "*Austerity Measures for Compound Interest – not for Tax Payers!*" the author requested:

<sup>13</sup> *Qur'an*: 61.7-13

<sup>14</sup> Imam Ahmad Hanbal, Al-Musnad, Hadith No. 3754, Volume 3, p.351

Write off all of that part of the National Debt that has been created out of nothing by means of the compound interest formula.

### **Why is this important?**

The National Debt is spiralling out of control as a result of the exponential increase in the deficit generated by the application of the compound interest formula to the original sum borrowed (The £1 million originally borrowed by William of Orange has now become over £900 billion – see <http://www.debtbombshell.com> ).

Increasing taxation and cutting essential social services will never significantly diminish this steadily increasing deficit.

Historically, countries drowning in usury have periodically freed their society from this quicksand by simply writing off the money that has been created out of nothing by means of the compound interest formula – it came from nothing and it is returned to nothing.

The time to deal with the UK national debt in this manner is NOW.

Whichever political party places this at the heart of its manifesto is sure to win the next general election, as well as saving the British Isles from economic and social ruin.<sup>15</sup>

And as Shaykh Umar Ibrahim Vadillo concluded many years ago, after meticulous study and with scintillating clarity:

Therefore we declare a Fatwa in Granada, for all Muslims, by which:

After examining all the aspects of paper-money, in the Light of the Qur'an and the Sunna, we declare that THE USE OF PAPER-MONEY IN ANY FORM OF EXCHANGE IS USURY AND IS THEREFORE HARAM. It is not permitted for the Muslims to accept or to give paper-money in a commercial transaction. It is an obligation on the Muslims to abandon usury and to introduce new media of exchange, or money, and the best way is to follow the sunna of the Messenger of Allah, salallahu alaihi wa salaam, by using gold and silver, or any other merchandise commonly accepted as a medium of exchange.<sup>16</sup>

When the hangman's noose of institutionalised usury is undone and when the subverted forms of modern democracy which cloaked and disguised it have been rendered obsolete, then true Islamic governance in accordance with the Qur'an and Sunnah will inevitably be restored – insh'Allah!

15 <http://www.38degrees.org.uk>

16 *Fatwa on Paper Money*, p. 48, Shaykh Umar Ibrahim Vadillo. Madinah Press, Granada, 1991



## GLOSSARY OF ARABIC TERMS

- Allah* : The Lord of all the worlds and what is in them. *Allah* has ninety-nine Names all of which are from and within the One, *Allah*. *Allah*, the supreme and mighty Name, indicates the One, the Existent, the Creator, the Worshipped, the Lord of the Universe. *Allah* is the First without beginning and the Last without end. He is the Outwardly Manifest and the Inwardly Hidden. There is no existent except Him and there is only Him in existence.
- akhirah* : what is on the other side of death; the world after this world in the realm of the Unseen.
- ‘ayn* : real money (gold or silver), or a capital asset or object, with intrinsic value.
- deen* : the life transaction, the way you live and behave towards *Allah*. It is submission and obedience to a particular system of rules and practices. Literally it means the debt or exchange situation between two parties, in this usage the Creator and the created, or as some say between the conditioned and the unconditioned, the limited and the limitless, or the many and the One. *Allah* says in the *Qur’an* that surely the *deen* with *Allah* is *Islam*. The *deen* of *Allah* and the Muslim community is *Islam* but every society and cultural grouping have a *deen* which they follow.
- dayn* : (plural *duyun*), a debt.
- dinar* : (plural *dananir*), a gold coin 4.4 gm in weight.
- dirham* : (plural *darahim*) a silver coin 3.08 gm in weight.
- dunya* : this world, not as a cosmic phenomenon, but as it is imagined, inwardly and outwardly. It has been compared to a bunch of grapes which appears to be in reach but which, when you stretch out for it, disappears.
- fatwa* : (plural *fatawa*), an authoritative statement on a point of law.
- fulus* : the plural of *fals*, originally a small copper coin, used as small change, but with no intrinsic value. Any of today’s ‘modern’ currencies could be used as *fulus*.
- hadith* : the written record of what the Prophet Muhammad said or did, may the blessings and peace of *Allah* be on him, preserved intact from source, through a reliable chain of human transmission, person to person.
- hadith qudsi* : the written record of those words of *Allah* on the tongue of the Prophet Muhammad, may the blessings and peace of *Allah* be on him, which are not a part of the revelation of the *Qur’an*, preserved intact from source, through a reliable chain of human transmission, person to person.
- halal* : what is permitted by the *Shari‘a*.
- haram* : what is forbidden by the *Shari‘a*. Also *Haram*: A protected area. There are two protected areas, known as the *Haramayn*, in which certain behaviour is forbidden and other behaviour necessary. These are the areas around the *Ka’ba* in *Makka* and around the Prophet’s Mosque in *Madina*, in which is his tomb, may the blessings and peace of *Allah* be on him.

- hiyal* : legal devices, evasions, observing the letter, but not the spirit of the law.
- ihsan* : the inward state of the *mumin* who is constantly aware of being in the Presence of *Allah*, and who acts accordingly. *Ihsan* is to worship *Allah* as though you see Him, knowing that although you do not see Him, He sees you.
- iman* : trust in *Allah* and acceptance of His Messenger, may the blessings and peace of *Allah* be on him. *Iman* grows in the heart of the one who follows the way of *Islam*. *Iman* is to believe in *Allah*; His Angels; His Books; His Messengers; the Last Day and the Fire and the Garden; and that everything, both good and bad, is by the Decree of *Allah*. Thus *iman* is the inner knowledge and certainty in the heart which gives you *taqwa* and *tawba* and the yearning to know more.
- Islam* : the Prophetic guidance brought by the Prophet Muhammad, may the blessings and peace of *Allah* be on him, for this age for the people and *jinn* who desire peace in this world, the Garden in the next world, and knowledge and worship of *Allah* in both worlds. The five pillars of *Islam* are the affirmation of the *shahada* (the affirmation that there is no god except *Allah* and that Muhammad is the Messenger of *Allah*); doing the *salat* (prayer); fasting during the month of *Ramadan*; paying the *zakat* (a tax on surplus wealth); and doing the *hajj* (the pilgrimage to Makka) if you are able.
- jahiliyya* : the time of arrogance and ignorance which precedes the time when the way of *Islam* is established as a social reality. Anyone who does not have wisdom suffers from *jahiliyya*.
- Jannah* : the Garden, Paradise, the final destination and resting place of the *Muslims* in the *akhira*, once the Day of Reckoning is past. *Jannah* is accurately described in great detail in the *Qur'an* and in the *Hadith*.
- jihad* : struggle, particularly fighting in the way of *Allah* to establish *Islam*.
- kafir* : (plural *kafirun*) the one who denies the Existence of *Allah* and who rejects His Prophets and Messengers, and who accordingly has no peace or trust in this life, and a place in the Fire in the next life. The opposite is believer or *mu'min*. Shaykh 'Abd'al-Qadir writes, '*Kufr* means to cover up reality: *kafir* is one who does so. The *kafir* is the opposite of the *mu'min*. The point is that everyone knows 'how it is' – only it suits some people to deny it and pretend it is otherwise, to behave as if we were going to be here for ever. This is called *kufr*. The condition of the *kafir* is therefore one of neurosis, because of his inner knowing. He 'bites his hand in rage' but will not give in to his inevitable oncoming death.' (*Quranic Tawhid*. Diwan Press. 1981).
- kanz* : hoarded up gold, silver and money, the *zakat* of which has not been paid.
- khalif* : the Arabic is *khalifa*, (pl. *khulafa*); Caliph, someone who stands in for someone else, in this case the leader of the Muslim community, although it is sometimes used to describe the deputy of someone in a higher position of authority.

- kufr* : disbelief, to cover up the truth, to reject Allah and refuse to believe that Muhammad is His Messenger, may Allah bless him and grant him peace.
- magharim* : unjust non-Shari'a taxes, unlawful taxes, fines.
- makruh* : abominable, reprehensible but not unlawful in the *Shari'a*.
- muhsin* : the Muslim who has *ihسان*, and who accordingly only gives reality to the Real, *Allah*. Only the *muhsin* really knows what *Tawhid* is. Shaykh 'Abd'al-Qadir once said, 'The difference between the *kafir* and the *muslim* is vast. The difference between the *muslim* and the *mumin* is greater still. The difference between the *mumin* and the *muhsin* is immeasurable,' not only in inward state, but also in outward action.
- mumin* : (plural *muminun*) the Muslim who has *iman*, who trusts in *Allah* and accepts His Messenger, may the blessings and peace of *Allah* be on him, and for whom the next world is more real than this world. The *mumin* longs for the Garden so much, that this world seems like the Fire by comparison and feels like a prison.
- munafiq* : (plural, *munafiqun*); a hypocrite, a person who outwardly professes *Islam* on the tongue, but inwardly rejects *Allah* and His Messenger, may the blessings and peace of *Allah* be on him, and who sides with the *kafirun* against the *muminun*. The deepest part of the Fire is reserved for the *munafiqun*.
- Munkar and Nakir* : the two angels who question your *ruh* in the grave after your body has been buried, asking, "Who is your Lord? Who is your Prophet? What is your Book? What was your *Deen*?"
- muslim* : one who follows the Way of *Islam*, doing what is obligatory and avoiding what is forbidden in the *Shari'a*, keeping within the limits prescribed by *Allah*, and embodying as much of the *Sunna* as he or she is able, through study of the *Qur'an* and the *Hadith* followed by action. A Muslim is, by definition, one who is safe and sound, at peace in this world, and guaranteed the Garden in the next world.
- Nar* : the Fire of Hell, the final destination and place of torment of the *kafirun* and the *munafiqun* in the *akhirah*, once the Day of Reckoning is past. Some of those Muslims who neglected what is obligatory in the *Shari'a* and who did grave wrong action without making *tawba* will spend some time in the Fire before being allowed to enter the Garden, depending on the Forgiveness of *Allah* – Who forgives every wrong action except *shirk* if He wishes. *Nar* is accurately described in great detail in the *Qur'an* and in the *Hadith*.
- qabr* : the grave, experienced as a place of peace and light and space by the *ruh* of the *mumin* who sees his or her place in the Garden in the morning and in the evening; and experienced as a place of torment and darkness and no space by the *ruh* of the *kafir* who sees his or her place in the Fire in the morning and in the evening. After death there is a period of waiting in the grave for the *ruh* until the Last Day arrives, when everyone who has ever lived will

be brought back to life and gathered together. Their actions and intentions will be weighed in the Balance, and everyone will either go to the Garden or to the Fire, for ever.

*qard hasan* : interest-free loan.

*Qur'an* : the 'Recitation', the last Revelation from *Allah* to mankind and the *jinn* before the end of the world, revealed to the Prophet Muhammad, may *Allah* bless him and grant him peace, through the angel Jibril, over a period of twenty-three years (beginning in 610 and ending in 632), the first thirteen of which were spent in *Makka* and the last ten of which were spent in *Ma-dina*. The *Qur'an* amends, encompasses, expands, surpasses and abrogates all the earlier revelations revealed to the earlier Messengers, peace be on all of them. The *Qur'an* is by far the greatest of all the miracles given to the Prophet Muhammad by *Allah*, for he was illiterate and could neither read nor write. The *Qur'an* is the uncreated word of *Allah*. The *Qur'an* still exists today exactly as it was originally revealed, without any alteration or change or addition or deletion. Whoever recites the *Qur'an* with courtesy and sincerity receives knowledge and wisdom, for it is the well of wisdom in this age.

*rama* : a form of usury which arises when transfer of payment in an exchange which should have taken place hand to hand is delayed.

*riba* : usury, which is forbidden, whatever form it takes, since it always involves obtaining something for nothing through exploitation.

*riba al-fadl* : this involves any unjustified excess in quantity in an exchange, for example, charging interest on lent money; or an exchange of goods of superior quality for more of the same kind of goods of inferior quality, for example, dates of superior quality for dates of inferior quality in greater amount, which is forbidden.

*riba*

*al-Jahiliyya* : pre-Islamic *riba*.

*riba jali* : manifest *riba*.

*riba khafi* : hidden *riba*.

*riba*

*an-nasi'a* : this involves any unjustified delay in time in an exchange, for example, increasing the price of goods if payment is to be deferred; or a delay in transfer in an exchange of two quantities, even if they match in quantity and quality, for example in an exchange of 10 dirhams for 7 dinars which is only permitted if the exchange is hand to hand.

*ruh* : the spirit which gives life, formed from pure light; also the Angel Jibril.

*sadaqa* : voluntary charitable giving for the sake of Allah.

*salat* : the prayer, particularly the five daily obligatory prayers which constitute one of the pillars of Islam.

*sarf* : exchange of two currencies; a barter transaction.

- sayyedina* : ‘our master’, a term of respect.
- shahada* : bearing witness, particularly bearing witness that there is no god but Allah and that Muhammad is the Messenger of Allah, may Allah bless him and grant him peace. It is one of the pillars of Islam. It is also used to describe legal testimony in a court of law.
- shahada*
- az-zur* : perjury, false witness.
- shahid* : (plural *shuhud*), a witness.
- Shari‘a* : *lit.* a road, an approach to a drinking place, a drinking place; the way of *Islam*, the way of Muhammad, may the blessings and peace of *Allah* be on him, the road which leads to knowledge of *Allah* and the Garden. Shaykh ‘Abd’al-Qadir writes, ‘It is the behaviour modality of a people based on the revelation of their Prophet. The last *Shari‘a* in history has proved to be that of *Islam*. Its social modality abrogates all previous *shara‘i* e.g. Navaho, Judaic, Vedic, Buddhic, etc. These *shara‘i* however, continue until the arrival and confrontation takes place in that culture with the final and thus superior *Shari‘a* – *Islam*. It is, being the last, therefore the easiest to follow, for it is applicable to the whole human race wherever they are.’ (*Qur‘anic Tawhid*. Diwan Press. 1981).
- Shi‘a* : *lit.* a party or faction, specifically the party who claim that ‘Ali should have succeeded the Prophet as the first *khalif* and that the leadership of the Muslims rightfully belongs to his descendant.
- shirk* : the unforgivable wrong action of worshipping something or someone other than Allah or associating anything or anyone as a partner with *Allah*, that is, to worship what is other than *Allah*, including your self, your country, your universe and anything it contains. *Shirk* is the opposite of *Tawhid*. *Allah* says in the *Qur‘an* that He will forgive any wrong action except *shirk*. Shaykh ‘Abd’al-Qadir writes, ‘Idol-worship means giving delineation to the Real. Encasing it in an object, a concept, a ritual, or a myth. This is called *shirk*, or association. Avoidance of *shirk* is the most radical element in the approach to understanding existence in *Islam*. It soars free of these deep social restrictions and so posits such a profoundly revolutionary approach to existence that it constitutes - and has done for fourteen hundred years - the most radical rejection of the political version of idolatry, statism. It is very difficult for programmed literates in this society to cut through to the clear tenets of *Islam*, for the Judaic and Christian perversions stand so strongly in the way either as, rightly, anathema, or else as ideals. The whole approach to understanding reality has a quite different texture than that known and defined in European languages, thus a deep insight into the structure of the Arabic language itself would prove a better introduction to the metaphysic than a philosophical statement. The uncompromising *tawhid* that is affirmed does not add on any sort of ‘god-concept’. Nor does it posit an infra-god, a



grund-god, even an over-god. Christian philosophers were so frightened by this position that when they met it, to stop people discovering the fantasy element in their trinitarian mythology they decided to identify it with pantheism in the hope of discrediting it. That they succeeded in this deception is an indication of how far the whole viewpoint has been kept out of reach of the literate savage society. Let it suffice here to indicate that there is no 'problem' about the nature of *Allah*. Nor do we consider it possible even to speak of it. No how, who, or what or why. It is not hedging the matter in mystery. It is simply asking the wrong questions. The knowledge of *Allah* is specifically a personal quest in which the radical question that has to be asked is not even 'Who am I?' but 'Where then are you going?' (*Qur'anic Tawhid*. Diwan Press. 1981).

- shura* : consultation; in early Islamic history, this designates the group constituted by sayyidina 'Umar to choose his successor. Thereafter *shura* has variously designated a council of advisers to the sovereign, in modern times a parliament, a court of law with jurisdiction over claims made by citizens and public officials against the government, and generally speaking any joint consultation between representatives of those who rule and those who are ruled.
- siddiq* : a man of truth; sincerity is his condition, not his adopted position.
- Sunna* : the form, the customary practice of a person or group of people. It has come to refer almost exclusively to the practice of the Messenger of *Allah*, Muhammad, may the blessings and peace of *Allah* be on him, but at the time that *Imam* Malik, may *Allah* be pleased with him, compiled *Al-Muwatta'*, meaning 'The Well-Trodden Path', there was no sense of setting the *Sunna* of the Prophet apart from the *Sunna* of *Madina*, so that the actions of its knowledgeable people were given even more weight than the behaviour of the Prophet related in isolated *Hadith*. The *Sunna* of the Prophet Muhammad and the first Muslim community of *Madina al-Munawarra* is a complete behavioural science that has been systematically kept outside the learning framework of this society.
- Sunni* : the main body of Muslims, who recognise and accept the first four *khalifs*.
- taqwa* : awe of *Allah*, which inspires a person to be on guard against wrong action and eager for actions which please Him.
- tawba* : returning to correct action after error, turning away from wrong action to *Allah* and asking His forgiveness.
- Tawhid* : Unity in its most profound sense. *Allah* is One in His Essence and His Attributes and His Acts. The whole universe and what it contains is One unified event which in itself has no lasting reality. *Allah* is Real.
- Umma* : the body of Muslims as one distinct Community.

- Yawm al-Akhira* : the Day After – the end of the world, and thus the Last Day, when everyone who has ever lived will be given life again, gathered together, their actions and intentions weighed in the Balance, and their place in either the Garden or the Fire confirmed. *Yawm al-Akhira* is also referred to in the *Qur'an* as *Yawm ad-Deen*, the Day of the Life Transaction; *Yawm al- Ba'ith*, the Day of Rising from the grave; *Yawm al- Hashr*, the Day of Gathering; *Yawm al-Qiyama*, the Day of Standing; *Yawm al- Mizan*, the Day of the Balance; and *Yawm al- Hisab*, the Day of Reckoning. That Day will either be the best day or the worst day of your life, depending on who you are and where you are going. The *Yawm al- Akhira* is accurately described in great detail in the *Qur'an* and in the *Hadith*.
- zakat* : one of the five pillars of Islam, the wealth tax obligatory on Muslims each year, usually payable in the form of one fortieth of surplus wealth which is more than a certain fixed minimum amount, called the *nisab*. *Zakat* is payable on accumulated wealth, merchandise, certain crops, certain livestock, and subterranean and mineral wealth, such as, for example, gold and oil.
- zuyuf* : debased coins.

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