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What Is Honest Money?

Genesis 3:19

In the sweat of thy face shalt thou eat bread,
till thou return unto the ground;
for out of it wast thou taken:
for dust thou art, and unto dust shalt thou return.

Money is so much a part of our daily life. The Bible tells us that the love of money is the root of all evil (1 Timothy 6:10). Money itself is not evil. But the love of money is a grievous sin. The Apostle Paul warns, "…which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows" (1 Timothy 6:10). This book is written to warn against the lure of a materialistic lifestyle that enslaves God's people. The covenant family is under siege today.

Have you ever wondered how money should be defined? This is a pertinent question to help us understand this money-abusing world that we live in. The Bible tells us in Genesis 3:19 the purpose of human labour — "in the sweat of thy face shalt thou eat bread". Human labour is that which is ordained of God whereby man feeds or sustains himself physically till the day he dies. Money has been used to quantify this labour. Thus money is a unit measure of a man's labour whereby he can use now, or store and ration out in the future, to feed himself till the day he dies. Savings is the accumulated or stored value of human labour whereas debt is the obligation to serve human labour. This is the biblical concept of honest money.

Honest money

It is money earned "in the sweat of our face" for us to "eat bread" or to store for future use to sustain ourselves physically— as God intends us to do.

The Bible teaches that man can enjoy the fruit of his labour. Such fruit is given to him by God who has enabled him to work (Deuteronomy 8:18). And "there is nothing better for a man, than that he should eat and drink, and that he should make his soul enjoy good in his labour. This … was from the hand of God" (Ecclesiastes 2:24). "And also that every man should eat and drink, and enjoy the good of all his labour, it is the gift of God" (Ecclesiastes 3:13; 5:19).

Vincent van Gogh *The Potato Eaters*, 1885

Coarse but honest-to-goodness

Van Gogh said he wanted to depict peasants as they really were. He deliberately chose coarse and ugly models, thinking that they would be natural and unspoiled in his finished work. "You see, these folk, who are eating their potatoes by the light of their little lamp, have tilled the earth themselves

with these hands

they are putting in the dish, and so it speaks of manual labour and that they have thus honestly earned their food."[1]

[1] http://en.wikipedia.org/wiki/The_Potato_Eaters

In order to facilitate a store for man's labour, money is introduced. We receive remuneration for our work in the form of wages. How is wages paid? In an article on the history of money, Mary Bellis tells us how in the beginning, people bartered. "Barter is the exchange of a good or service for another good or service, a bag of rice for a bag of beans. However, what if you couldn't agree what something was worth in exchange or you didn't want what the other person had? To solve that problem humans developed what is called commodity money."[2] Hence, money came to be as defined as any circulating medium of exchange including coins, paper money and demand deposits.[3] More specifically, she adds, "Money is anything that is commonly accepted by a group of people for the exchange of goods, services, or resources. Every country has its own system of coins and paper money."[4]

Reviewing man's history, she observes, "Metal objects were introduced as money around 5,000 BC. By 700 BC, the Lydians became the first in the Western world to make coins. Countries were soon minting their own series of coins with specific values. Metal was used because it was readily available, easy to work with and could be recycled. Since coins were given a certain value, it became easier to compare the cost of items people wanted. Some of the earliest known paper money dates back to China, where the issue of paper money became common from about AD 960 onwards."[5]

Honest money

There are seven observable characteristics of honest money that help to facilitate its use as a store of man's labour:

- Store of value — As a preserve value for purchasing power.

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[2] http://inventors.about.com/od/mstartinventions/a/money.htm
[3] Dictionary.com
[4] http://inventors.about.com/od/mstartinventions/a/money.htm
[5] Ibid

- Intrinsic value — Valuable in itself.
- Durable — Cannot be corrupted, it must be able to weather wear and tear. It is non-perishable unlike perishable commodities like meat and vegetables.
- Divisible — Can be broken down into small units, allowing smaller denominated values.
- Widely recognised — Can be used across countries and regions.
- Limited in supply — It is precious. An unlimited supply will totally diminish its value. In the history of man, gold and silver have always been the medium for money. Gold is the first metal mentioned in the Garden of Eden (Genesis 2:12) for its shining beauty. The ratio of gold and silver mined from the earth is 1:16.
- Easy to carry around.

Precious metals like gold and silver are the best forms of money in the history of mankind because they fulfil the above seven functions. Gold supply on the average increased by 1% per year in human history and this growth provided a stable and sustainable economic growth. Seen from another perspective, economic growth was thus proportionate to the amount of gold mined from the ground. The question we ask ourselves is this: Why do we want to tie our growth to the supply of gold and silver? Answer: This is man's safeguard against fraud. The heart of fallen man is greedy and covetous. Man wants an easy way out of God's order given in Genesis 3:19. This is the fallen nature of man — covetous, greedy and lazy. Fallen man has always been driven to create fraudulent money. He makes fake gold and silver coins. He prints paper money without restraint. However, such irresponsible behaviour is not without consequences. In the history of mankind, it is observed, every paper currency does not last more than 50 years before it becomes obsolete as a result of abuse.

According to a National Geographic report of January 2009 entitled "Gold — The True Cost of a Global Obsession", "No single element has tantalised and tormented the human imagination more than the shimmering metal known by the chemical symbol Au. For thousands of years the desire to possess gold has driven people to extremes, fuelling wars and conquests, girding empires and currencies, levelling mountains and forests. Gold is not vital to human existence; it has, in fact, relatively few practical uses. Yet its chief virtues — its unusual density and malleability along with its imperishable shine — have made it one of the world's most coveted commodities, a transcendent symbol of beauty, wealth, immortality. From pharaohs (who insisted on being buried in what they called the "flesh of the gods") to the forty-niners (whose mad rush for the mother lode built the American West) to the financiers (who, following Sir Isaac Newton's advice, made it the bedrock of the global economy), nearly every society through the ages has invested gold with an almost mythological power."[6]

The report also highlights an interesting fact: "In all of history, only 161,000 tons of gold have been mined, barely enough to fill two Olympic-size swimming pools. More than half has been extracted in the past 50 years."

[6] National Geographic, January 2009, Gold — The True Cost of a Global Obsession, 42

Where does all that gold go to?

By usage, 2007, in tons[7]

Jewellery	2398.7
Electronics	310.6
Other industrial use	92.7
Dentistry	57.8
Bar hoarding	235.6
Official coins	137.0
Medals, special coins	72.6
Exchange-traded funds	253.3

Representative money

Mary Bellis further observes from man's history covering the rise of the British Empire in the 19th century and that of America in the 20th century, "With the introduction of paper currency and non-precious coinage, commodity money evolved into representative money. This meant that what money itself was made of no longer had to be very valuable. Representative money was backed by a government or bank's promise to exchange it for a certain amount of silver or gold. For example, the old British Pound bill or Pound Sterling was once guaranteed to be redeemable for a pound of sterling silver. For most of the 19th and 20th centuries, the majority of currencies were based on representative money through the use of the gold standard."

Representative money

Its value is based on the issuing government's **promise** to exchange it for silver or gold. It **represents** value.

[7] Ibid., 43

Let me highlight a historical development in the use of representative money, using the experience of the US from 1776 to 1933. During this time when representative money was in circulation, growth was realistic, honest and sustainable despite the rigours of the Great Depression from which America emerged stronger, economically speaking.

However, on 5 April 1933, then President Franklin D Roosevelt signed into law "Executive Order 6102" which forbade the hoarding of gold coins, bullion and gold certificates by US citizens.

POSTMASTER: PLEASE POST IN A CONSPICUOUS PLACE.—JAMES A. FARLEY, Postmaster General

UNDER EXECUTIVE ORDER OF THE PRESIDENT

Issued April 5, 1933

all persons are required to deliver

ON OR BEFORE MAY 1, 1933

all GOLD COIN, GOLD BULLION, AND GOLD CERTIFICATES now owned by them to a Federal Reserve Bank, branch or agency, or to any member bank of the Federal Reserve System.

Executive Order

For Further Information Consult Your Local Bank

GOLD CERTIFICATES may be identified by the words "GOLD CERTIFICATE" appearing thereon. The serial number and the Treasury seal on the face of a GOLD CERTIFICATE are printed in YELLOW. Be careful not to confuse GOLD CERTIFICATES with other issues which are redeemable in gold but which are not GOLD CERTIFICATES. Federal Reserve Notes and United States Notes are "redeemable in gold" but are not "GOLD CERTIFICATES" and are not required to be surrendered

Special attention is directed to the exceptions allowed under Section 2 of the Executive Order

CRIMINAL PENALTIES FOR VIOLATION OF EXECUTIVE ORDER
$10,000 fine or 10 years imprisonment, or both, as provided in Section 9 of the order

It required all US citizens to surrender on or before 1 May 1933 all but a small amount of their gold coins, bullion and gold certificates to the Federal Reserve in exchange for paper currency. One troy ounce of gold was exchangeable for US$20.67. And under the "Trading With the Enemy Act" of 6 October 1917, as amended on 9 March 1933, violation of the order was punishable by a fine of up to US$10,000 (US$167,700 in 2010 dollars adjusted for inflation) or up to 10 years in prison, or both. Many citizens who owned large amounts of gold had their hoard transferred to countries such as Switzerland.[8]

[8] http://en.wikipedia.org/wiki/Executive_Order_6102

Henry Kissinger[9] once said that if you controlled the money supply, you controlled the world.[10] He is a prominent member of the Bilderberg Group, the workings of which will be explained in Chapter 5, The New World Order. Evidences will be advanced to help us understand that current world events are being orchestrated by an interest group energised by Satan to bring forth the kingdom of the Anti-Christ.

The end of World War II marked the rise of US as the leading nation of the world. A significant event that shaped the new world economic order in the post-World War II era was the Bretton Woods Agreement in 1944. Policy-makers from 44 Allied nations met for three weeks in July 1944 and agreed to make the US dollar the reserve currency of the world. All the other currencies would be pegged to the US dollar, which in turn would be pegged to gold. Thus began 27 years of steady growth for America as the leader of the world.

Fiat or fraud money

For the last 40 years, representative money has been replaced by fiat money. The change came in 1971 — the start of the intriguing story of deception that violates God's order for mankind given in Genesis 3:19, which was the concept of honest money. With the introduction of fiat money, honest money has been replaced by dishonest money.

What is fiat money? Mary Bellis writes, "Fiat is the Latin word for 'let it be done'. Money is now given value by a government fiat or decree, or made legal tender by law." In money terms, fiat money has been defined as "Currency that a government has declared to be legal tender, despite the fact that it has no intrinsic value and is not backed by reserves. (It) is

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[9] Henry Alfred Kissinger (born 27 May 1923) is a German-born American political scientist, diplomat, and recipient of the Nobel Peace Prize. He served as National Security Advisor and later concurrently as Secretary of State in the administrations of Presidents Richard Nixon and Gerald Ford in the 1960s-1970s. http://en.wikipedia.org/wiki/Henry_Kissinger

[10] F William Engdahl, Gods of Money: Wall Street and the Death of the American Century, edition.engdahl, Germany, 2009, 5

based solely on faith."[11] Hence, a country's legal tender, given legal status by law, cannot be refused as a form of payment. To do so is illegal. By accepting that country's notes as legal tender, you have placed your faith on that issuing country's government or economy to honour the worth of the currency. The integrity of governments is severely put to the test here because great is the temptation to print money, which is actually conferring monetary value on mere pieces of paper by passing a law. As we shall see later, indiscriminate printing of money leads to bubbles (Chapter 2), inflation when "too much money chases too few goods" and hyperinflation (Chapter 3), and a looming currency crisis waiting in the wings (Chapter 4).

To what extent does today's fiat currency satisfy the key functions of money?

- **Store of value?** No, purchasing power can be inflated away by lawless printing. Today, the US dollar has lost at least 95% of its purchasing power since 1971.
- **Intrinsic value?** It has no intrinsic value. It is also an obligation to pay.
- **Durable?** No fiat currency has lasted more than 50 years.
- **Divisible?** Yes, it is most divisible.
- **Widely recognised?** No, except major currencies like the US$, Yen, Pound.
- **Limited in supply?** No, it can be printed without the backing of gold.
- **Easy to carry?** Yes.

[11] http://www.investopedia.com/terms/f/fiatmoney.asp#ixzz1tfq0vcdj

See how the paper notes we hold in our hand today do not meet five of the seven functions of money? When gold and silver or representative money were used as money in the past, there was honest and sustainable growth during the period of their use. Since the inception of the US in 1776 to 1933, gold and silver had always been the medium of exchange because they fulfilled the above seven criteria of the function of money.

How did the change from representative money to fiat money come about? What made honest money dishonest?

On 15 August 1971, the US unilaterally terminated the convertibility of the dollar to gold. With this change, the US dollar no longer had any intrinsic value.[12] This action, referred to as the Nixon Shock, created a situation in which the US dollar became the sole backing of currencies and a reserve currency for the nations of the world. Every currency became pegged to the US dollar. Thus also began 40 years of lawlessness in the unrestrained printing of money by the US from 1971 to the present day. Earlier on we said that, in the observable history of mankind, every paper currency that undergoes uncontrolled printing does not last more than 50 years. We are at the tail end of this 50-year lawlessness cycle. The day of reckoning is coming.

Fiat money

It is **given** value by the issuing government's decree or law. It is based on **faith** that it can be exchanged for goods and services.

[12] http://en.wikipedia.org/wiki/Bretton_Woods_system

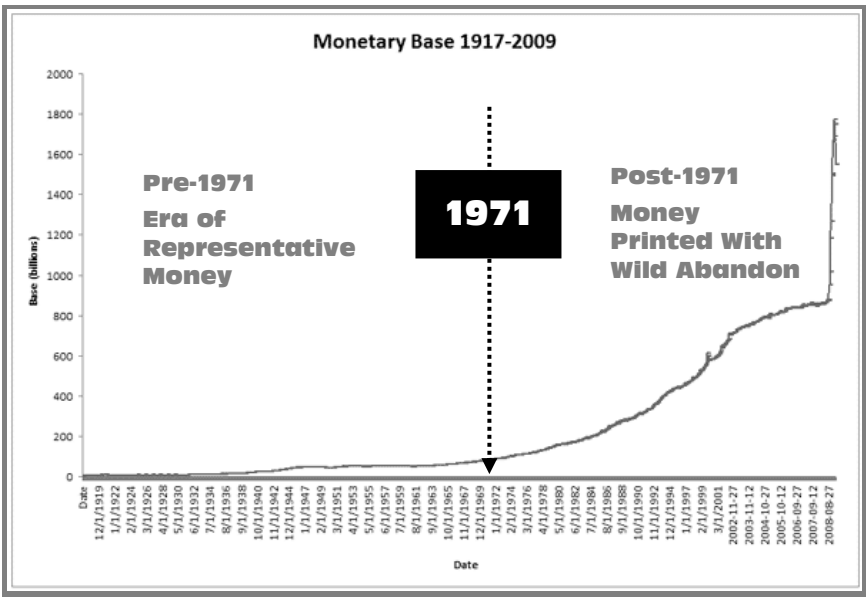

Chart of the US Monetary Base 1917-2009[13]

Clearly, some world leaders have felt uncomfortable about a world awash in dollars. Nicolas Sarkozy, then French president, who was in Washington in the week of 10 November 2007 told Congressmen that the US must stop dumping dollars on the rest of the world or risk a global financial crisis. More than 40 years ago in 1969, his predecessor President Charles de Gaulle believed in more than just rhetoric. De Gaulle was more successful in demanding the exchange of his dollars for a real, tangible asset — physical gold bullion — at the Federal Reserve. But this was before 1971 when the US dollar was still exchangeable for gold.[14]

Journalist Adrian Ash, further explaining in his article of 10 November 2007 the impact of unpegging the US dollar from gold, quoted de Gaulle in his 1965 speech, "Gold does not change in nature. (Gold) can be

[13] http://www.chartingstocks.net/2009/03/chart-of-the-us-money-supply-1917-2009/
[14] http://goldnews.bullionvault.com/gold_dollar_France_Sarkozy_de_Gaulle_crisis_111020072

made either into bars, ingots, or coins, has no nationality (and) is considered, in all places and at all times, the immutable and fiduciary value par excellence." Ash described how the French leader backed up his words with action. "Back in the 1950s and 1960s, world governments could simply tip up at the Fed, tap on the 'Gold Window', and swap their unwanted dollars for gold. So that was exactly what de Gaulle did. Starting in 1958, he ordered the Banque de France to increase the rate at which it converted new dollar reserves into bullion. In 1965 alone, he sent the French navy across the Atlantic to pick up US$150 million worth of gold. Come 1967 the proportion of French national reserves held in gold had risen from 71.4% to 91.9%. The European average stood at a mere 78.1% at the time."[15] Compare this with the situation in Europe today. European nations are in debt and their coffers, void of gold!

As far back as the 1960s, de Gaulle had seen the danger signs in the US dollar and backed his nation's wealth with true gold. He did not send a diplomat but the French navy to demand for gold from the Fed. This was no longer possible after 1971 when President Nixon closed the gold window. What followed were 40 years of uncontrolled and lawless printing of dishonest money by the US. What is the problem with this inordinate printing? Unrestrained printing of money results in the loss of the stored value of paper money. This is called inflation. Thus began the Ponzi scheme to inflate away the wealth of the world.

The price of gold is an indication of the fraudulent nature of paper currency. It has steadily risen from US$35 a troy ounce in 1971 to US$1,410 in 2010. It closed at US$1,588.40 on 25 June 2012. Conversely, the value of the dollar has eroded with time. It has lost 95% of its value since the time when US$20.67 was exchangeable for one troy ounce of gold.

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[15] Ibid

Thirty-six-year gold price history in US$ per ounce[16]

Dishonest money

By 2011, the first-world nations of the US, Europe and Japan that account for 50% of the world's Gross Domestic Product (GDP) are in great debt. These nations which have led the world since the end of World War II in 1945 are suffering 65 years later, economically speaking, because they have lived wantonly and carelessly since 1971.

Just how dire is the debt situation? The US Central Intelligence Agency has compiled a World Factbook which lists, among other things, a ranking of the external debt[17] chalked up by more than 200 countries in the world. The dubious honour of topping the league of debtor nations

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[16] http://goldprice.org/gold-price-history.html#36_year_gold_price

[17] External debt is the total public and private debt owed to non-residents repayable in foreign currency, goods, or services, where the public debt is the money or credit owed by any level of government, from central to local, and the private debt the money or credit owed by private households or private corporations based in the country under consideration. [Wikipedia]

went to the US with more than US$14.7 trillion[18] as at June 2011. UK was second with US$9.8 trillion. However, looking merely at the external debt figure of any country may not give a complete picture of that particular nation's debt situation.

CNBC explains how one can further evaluate these astounding debts.[19] "One way to look at a nation's debt situation is by comparing external debt to that country's GDP, a comparison called the debt-to-GDP ratio. By comparing what a country owes to what it produces, a picture forms of how likely or unlikely a country as a whole will be to pay back its debt."

Debtors' roll

Debt-to-GDP ratios give a picture of how likely or unlikely a country will be able to pay back its debt. ~ *CNBC*

US	96%
UK	429%
France	250%
Germany	179%
Italy	143%
The Netherlands	372%
Spain	179%
Greece	195%
Ireland	1278%

As at June 2011
Original data from CIA World Factbook

Thus, using external debt and GDP figures in the CIA World Factbook, the debt-to-GDP ratio for US in 2011 was 96% which meant the US borrowed almost as much as it produced or earned. The corresponding percentage for UK was a staggering 429%.

Debt-to-GDP figures for the other advanced countries were not any better. France and Germany were third with US$5.6 trillion debt each and corresponding ratios of 250% and 179%. Italy and the Netherlands each owed US$2.7 trillion which was 143% and 372% of their respective

[18] https://www.cia.gov/library/publications/the-world-factbook/rankorder/2079rank.html
[19] http://www.cnbc.com/id/33506526

GDPs. Spain and Greece, two euro states very much in the news in 2012, also borrowed more than their GDP. The figures for Spain were US$2.6 trillion debt or 179% of its GDP; Greece's debt of US$583 billion meant that the Greeks owed almost double (195%) what they had earned in 2011. Ireland's debt/GDP ratio was an incredible 1278%.

This roll-call of the top debtors displayed a common denominator — they borrowed more than they produced. The only notable exception among the advanced countries was Japan which had an external debt of US$2.7 trillion, or 60% of its GDP. Even the US, which in 2011 owed less than its GDP, has breached the 100% debt-to-GDP threshold.[20] The US Department of Treasury reported that the country's gross external debt was US$15.4 trillion as at 31 March 2012.[21]

We are living in the biggest debt bubble of all time. How much red ink is there? A simple totting up of the external debt of the top 50 borrowing nations out of the World Factbook's more than 200 listed countries reveals that the total loan size was more than US$67 trillion in 2011.

How much is $1 trillion?

A trillion is 1,000,000 x 1,000,000, or 1,000,000,000,000.

If you had gone into business on the day Jesus was born
and your business lost a million dollars a day,
day in and day out,
365 days a year,
it would take you until October 2737 to lose $1 trillion.

~Christian economist Jerome Corsi in "America For Sale",
written as a warning to the world against following the precarious ways of first-world nations

[20] http://www.usatoday.com/news/washington/story/2012-01-08/debt-equals%20economy/52460208/1
[21] http://www.treasury.gov/resource-center/data-chart-center/tic/Documents/debta2012q1.html

Debt is enslavement. It is an obligation to fulfil future labour. We earlier defined debt as the obligation to provide human labour and savings as the accumulated or stored value of human labour.

The Bible tells us in Proverbs 22:7, "The rich ruleth over the poor, and the borrower is servant to the lender." Borrowing lands a person in debt such that he becomes a servant to the lender. Sadly, this enslavement binds the borrower in spiritual as well as economic bondage. Matthew 6:24 says, "No man can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other. Ye cannot serve God and mammon."

What does debt enslavement mean to the average Singaporean? Today, he takes out a 30-year mortgage to buy a house, and a seven-year loan to buy a car. Each month, he also has to pay his credit card bills, and meet other repayments for study loans, renovation loans or for the hire-purchase of furniture. He has fallen into the trap of the capitalist economy. Even with a full-time job, his wages can barely help him service his many debts. When he loses his job, the roof caves in on him and his family. He is obliged to provide human labour for many years to come to pay off his debts. Servicing these debts is serving mammon. This is the modern man's enslavement.

Fiat currency creates an illusion of prosperity. It makes people feel good and secure with the value of their inflated wealth. America, for example, has been able to create wealth by cranking up the money printing machine, instead of by providing goods and services through the labour of their hands.

The Bible warns against this in Proverbs 23:4-5. "Labour not to be rich: cease from thine own wisdom. Wilt thou set thine eyes upon that which is not? for riches certainly make themselves wings; they fly away as an eagle toward heaven." This world's prosperity today is created by debt. It is a make-believe prosperity — an illusion, a deception!

Conclusion

We are at the brink of an impending collapse of the fiat currency system. The financial crisis in 2008 was the precursor of the crisis to come. The two questions before us now are — how much time is there before the final endgame and how to prepare for it before it comes?

As we survey the global scene in April 2016, the US official government debt is now US$19 Trillion. And China's total debt has grown four-fold from US$7 Trillion in 2008 to US$28 Trillion today.
These nations' debt have since multiplied many fold. The debt problem has not been solved but worsened. We are indeed closer to an impending collapse of the fiat currency system.