

# **Islam and the Future of Money**

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## ISLAM, THE PETRO-DOLLAR AND BEYOND



Our conference must ensure that we explain issues relating to ‘money’ in a manner that can be readily understood, not just by those present in this gathering here in Kuala Lumpur, Malaysia, but also by the hapless multitudes around the world who know little or nothing of this subject, and who look to us for guidance; hence an imperative of ensuring both simplicity and clarity, while avoiding the use of technical jargon. I avoid it to such an extent that those present in this audience will not hear even the words ‘fiat money’ in my presentation.

We must, however, provide an adequate explanation of the term ‘Petro-dollar’, since our view is that



it is symbolically present in a Hadith of Prophet Muhammad (peace and blessings of Allah Most High be upon him) on which this paper is based. We must reveal the staggering role that it has played and still plays, in sustaining today’s unjust monetary system, as well as the equally unjust international banking system. Both the international monetary system and the international banking system are absolutely unique phenomena in human economic and monetary history. In other words no one in history has ever experienced the unique injustice and oppression that mankind now experiences in the worlds of money and banking. This, perhaps, explains the strange ignorance of the reality of modern money



and banking.

Our view is that petro-money has an even more sinister role to play in the new monetary system that will emerge to replace the present one, consequent upon the imminent demise of the US dollar - but more about that later.

The monstrously unjust roles that the international monetary system and the international banking system have played, and still play, in the affairs of the world today, cannot be adequately explained if we restrict ourselves to purely economic and monetary analysis. Rather there are important non-economic and monetary questions which must also be answered if we are to fully understand this subject. For example, gold and silver have continuously functioned successfully as money all through our history as a civilization, until modern western civilization emerged with an agenda of establishing its dominion over the rest of the world. Western wars of aggression then led to colonization of much of the non-European world.

- Is it by accident or by design that decolonization resulted in the rest of the non-European world becoming part of a mysterious and ominous new European monetary system in which, for the first time in human history, mankind was prohibited by international law from using gold as money, and in which money with intrinsic value was replaced by money with no intrinsic value?
- Is it by accident or by design that the new European monetary system supported a European banking system which together operated in such



wise that they and their clients grew incredibly wealthy while the rest of the world was imprisoned in increasing poverty and destitution?

- Has that economic impoverishment lead to political servitude?
- Is it true or is it false that modern political servitude invariably implies conformity with a Zionist agenda?
- Is it by accident or by design that European Zionist Jews and Zionist Christians have a firm control over that monetary and international banking system and are using it to the advantage of the state of Israel?
- Is it by accident or by design that the modern secular west continued the Jihad (known as the crusades) waged by medieval Christian Europe to liberate the Holy Land from Muslim rule, until success was finally achieved in 1917? Why did non-European Christians refrain from participating in an ostensibly Christian Jihad? Why did western European Christians fight their eastern Christian brothers-in-faith while making their way (in a Christian Jihad) to the Holy Land?
- Is it by accident or by design that the West then presided over the birth of a State of Israel in the Holy Land some 2000 years after Holy Israel was destroyed by divine decree, and the Jews were then brought back (by hook and by crook) to reclaim the Holy Land as their own some 2000 years after they were expelled from it by divine decree? Did all of the above take place by accident, or was it part of a grand design that would eventually make it possible for Israel to rule the world? Why would Israel want to rule the world?

The Qur'an has declared that it explains all things:



لَنَا عَلَيْكَ وَيَوْمَ نَبْعَثُ فِي كُلِّ أُمَّةٍ شَهِيدًا عَلَيْهِمْ مِنْ أَنْفُسِهِمْ وَجِئْنَا بِكَ شَهِيدًا عَلَى هَؤُلَاءِ وَنَزَّ  
مَةً وَبُشْرَىٰ لِلْمُسْلِمِينَ الْكِتَابَ تَبَيَّنَّا لِكُلِّ شَيْءٍ وَهْدًى وَرَحَدٌ

“.....for one Day We shall raise up within every community a witness against them from among themselves. And thee [too, O Prophet,] have We brought forth to bear witness regarding those [whom thy message may have reached], inasmuch as We have bestowed from on high upon thee, step by step, this divine writ, to make all things clear (i.e., to explain all things), and to provide guidance and grace and a glad tiding unto all who have surrendered themselves to Allah.

(Qur'an, al-Nahl, 16:89)

Our books and lectures on the subject of Islamic Eschatology – in particular ‘Jerusalem in the Qur'an’ and ‘The Gold Dinar and Silver Dirham – Islam and the Future of Money’ - offer answers derived from the Qur'an and Hadith to all of the above questions.

What these answers indicate is that there is an eschatological dimension to the subject of contemporary world affairs which is absolutely indispensable for a proper understanding of the subjects of money and banking. At the heart of that explanation is the return of the true Messiah, Jesus the son of Mary (peace and blessings of Allah Most High be upon them both) who would rule the world from Jerusalem, and the advent of a false Messiah who would attempt, prior to his return, to impersonate the true Messiah. In order to successfully impersonate the



true Messiah he would have to:

- liberate the Holy Land for the Jews,
- bring the Jews back to the Holy Land to reclaim it as their own,
- restore a State of Israel in the Holy Land and deceive the Jews into embracing it as Holy Israel, and
- cause that imposter Israel to become the ruling State of the world.

I recognize Dajjal the false Messiah as the actor responsible for all of the above. As a consequence of our Islamic Eschatology we were able to understand events unfolding in the world for quite some time now as preparatory to the establishment of Zionist-controlled world government, world economy, and a global currency, etc.

Our eschatology also allowed us to recognize petro-money to be located at the very heart of Dajjal's quest to rule the world.

## **A NEW EUROPEAN MONETARY SYSTEM**

In the wake of the first and second world wars a new European monetary system was formally established at the Bretton Woods Conference held in 1944. Agreement was reached amongst the western rulers of the world on a monetary system in which only one currency, the US dollar, would be redeemable in gold (at the rate of \$35 per ounce of gold). All other currencies in the world would have their value determined in relation to the US dollar. Secondly, only governments, through their Central Banks, could redeem dollars for gold. Ordinary





people who would be required to use paper currencies, could not redeem any currency for gold. An institution known as the International Monetary Fund (IMF) would be established and each member State of the IMF would be required to deposit with the IMF 25% of all gold reserves that the State possessed.

Our Islamic analysis of this strange new monetary agreement can be found in our book on ‘The Gold Dinar and Silver Dirham – Islam and the Future of Money’. Even though these monetary arrangements constituted, in our Islamic religious terminology, Bid’ah (or religious innovation) as high as a mountain, and even though the blessed Prophet (sallallahu ‘alaihi wa sallam) had declared that all Bid’ah leads to hell-fire, it still escaped, and continues to mysteriously escape, the attention of the world of Islamic scholarship, including my persistent critics, the short-sighted Salafi Bid’ah brigade.

These provisions were in reality quite flimsy and gave the false impression that the new monetary system was somehow anchored on gold. In fact, gold that was deposited with the IMF functioned merely as a means through which States could seek loans on interest (backed by something of value) from the IMF. More importantly, to the extent that member-States faithfully complied with the requirement of depositing that gold, the IMF would know the extent of gold reserves of each member-State. This was further assured through a requirement that member-States must report to the Fund all sales and purchases of gold.

Why would the US-controlled (and hence Zionist-controlled) IMF be so



interested in knowing the quantum of gold reserves in the possession of all countries in the world? Islamic scholarship never cared to even ask that question.

What was not disclosed however was that the US dollar would remain redeemable in gold only for as long as it was convenient for the US government to honor the legal obligation to do so. And just as ominous was the other possibility that if the US government could renege on its legal obligation to redeem US dollars for gold under the Articles of Agreement of the IMF, it could also refuse to repatriate 25% or more of the world's gold stored in USA in accordance with IMF requirements. Let us pause for a moment to remind those who are unaware, that the US government has already abandoned its legal obligation to redeem US dollars for gold, and now refuses to even audit gold belonging to the rest of the world, that is stored in USA.

Strangely and mysteriously, the use of gold as money was prohibited in the Articles of Agreement of the IMF. Nowhere was an explanation offered for this strange prohibition. Conveniently so, no one asked for an explanation – not even the scholars of Islam.

The likely reasons for the prohibition of the use of gold as money are as follows:

1. To prevent the possibility that gold used as money could threaten, and cause a collapse, of the bogus paper money monetary system;
2. To ensure that gold belonging to the rest of the world, but stored in



USA, would remain undisturbed in US territory until the time arrived when the monetary system of paper money collapsed and the world returned to gold as money. At that time the legal prohibition of the use of gold as money would be removed, and gold stored with the Zionist-owned and controlled Federal Reserve Bank in NY, could then be secretly and illegally transferred to Israel (the transfer may already have taken place) so that Israel's rule over the world of money might remain unchallenged and unchallengeable. The gold stored in USA would remain largely undisturbed since there would be no reasons for a member State to seek to repatriate its gold. What would they do with their gold, other than keeping it as a store of value? It could not be used as money.

3. Once the member-States of the IMF had deposited 25% of their gold reserves with the IMF (i.e., with USA) and member-States had begun to take IMF loans that were secured by that gold, it would then be possible to encourage them to store more and more of their gold reserves with the IMF. If they held on to their gold, they could not use it in any way that would benefit them. And so this provision of the Articles of Agreement opened a way for USA to eventually be entrusted with storage of most of the gold reserves of the world.

It is absolutely amazing that the world of Islamic scholarship never responded since 1944, and up to this day, to the IMF Articles of Agreement, to point out that Allah Most High made the use of gold as money Halal; and that whoever makes Haram what Allah has made



Halal, has committed the ultimate sin of Shirk (or blasphemy). In addition, whoever accepts and follows that act of Shirk, himself commits Shirk. (See Qur'an, Surah al-Taubah, 9:31). Hence the entire monetary system that was controlled by the IMF was based on Shirk, and all of mankind who used the IMF monetary system have also committed Shirk.

It is also amazing that the world of Islamic scholarship failed to recognize that since 'money' in the Qur'an and Sunnah was always money with intrinsic value, that it was a manifest abandonment of Qur'an and Sunnah that 'money with intrinsic value' should be replaced by Zionist IMF-money with no intrinsic value.

In addition, one of the important functions of the IMF was to provide loans on interest to member-States. These loans would be provided from funds deposited with the IMF by such major contributors as USA. Gold deposited with the IMF could also be used to secure IMF loans. The monetary system thus provided for at least one use for gold.

But Allah Most High had prohibited money being lent on interest. In lending money on interest, the IMF had become a money-lender with whom Allah and His Messenger were waging war (see Qur'an, al-Baqarah, 2:279) and who, in addition, had the curse of Prophet Muhammad (sallallahu 'alaihi wa sallam) upon it. Despite all of the above, a strangely silent world of Islamic scholarship saw nothing, and did nothing, to warn Muslims of this great danger, and to prevent Muslim membership in the IMF. Despite their impressive Ijazahs in

numerous branches of knowledge, the scholars of Islam failed miserably when Dajjal the false Messiah tested them with this monetary test.

In fact the only challenge to the new international monetary system that emerged within the first 25 years of its existence came from France, which belatedly realized the flimsy role of gold in the monetary system. In addition to its lack of integrity, the monetary system was increasingly functioning in a manner that was unfairly advantageous to USA, and France had serious objections to such blatantly unjust advantage.

The French began to make efforts in the early 1960s to restore to gold a central place in the monetary system. Among the things that the French did was to resort to redeeming US dollars for gold at \$35 an ounce. The Vietnam War provided France with an additional reason for seeking a change in the Bretton Woods monetary system. Like all other member-States, USA had to deposit 25% of its gold reserves with the IMF. In doing so it provided member-States with information of the extent of its gold reserves. USA was under a legal obligation to redeem US dollars for gold at \$35 an ounce. Hence it was illegal and immoral for USA to issue more paper US dollars than could be redeemed for US gold. That is precisely what the US government did in order to finance the Vietnam War. France responded to this illegal and immoral conduct by demanding a devaluation of the US dollar through a change in the price of gold.

The French challenge to the system finally paid off when a weakened



USA, forced to finance the Vietnam War through printing more and yet more paper dollars, could no longer withstand the French pressure, and was forced in August 1971 to renege on its legal obligation to redeem dollars for gold.

Did the world of Islam use the opportunity that was presented by the collapse of the Bretton Woods monetary system to articulate an Islamic conception of money and of a monetary system? No such thing occurred. Other than the publication of Umar Chapra's 'Towards a Just Monetary System', the world of Islamic scholarship remained mysteriously silent.

Nor were the French able to grasp the opportunity presented by the collapse of Bretton Woods to lead an effort for the establishment of a new and better monetary system. Instead, within just two years of the collapse of Bretton Woods, the Americans pulled a rabbit out of the bag and stunned the world, in the wake of the October 1973 Arab-Israeli war and the simultaneous Arab oil embargo on USA, with the surreptitious establishment of a stunningly cunning petro-dollar monetary system.

## **THE PETRO-DOLLAR MONETARY SYSTEM**

Among the Signs of the Last Day prophesied by Prophet Muhammad (peace and blessings of Allah Most High be upon him) is that "the river Euphrates would uncover a mountain of gold". He said that "people would fight for that gold and 99 out of every 100 would be killed. Each one of them would however expect to be the 'one' in 100 who would



survive”. He went on to warn that “whoever is present at that time should not take that gold”. (Sahih Bukhari).

The River Euphrates did uncover a mountain of gold less than a hundred years ago – but it was black gold, namely oil; and there have been constant wars, one after another since that time, for control over that black gold. We will explain in a moment how the petro-dollar came into being when ‘an ocean of oil’ commenced functioning as ‘a mountain of gold’ in the form of an asset or collateral backing a new petro-dollar monetary system. However the world still has to experience such wars over that ‘mountain of gold’ in which 99 out of every 100 would be killed, i.e., wars in which such weapons of mass destruction (as thermo-nuclear weapons) would be used as would cause such colossal deaths. It is unclear whether the wars over ‘the mountain of gold’ would culminate in the Malhama, or great war, prophesied by Prophet Muhammad (peace be upon him). Such a great war would substantially reduce the human population of the world and tiny Israel would then have far less difficulty in ruling the world.

Our view is that we were prohibited from taking any of that ‘mountain of gold’ because it would be used as an instrument of the enslavement of all of mankind. To the extent that we used it, we would eventually be enslaved.

## **THE ROAD TO THE PETRO-DOLLAR**

There is evidence which strongly suggests that the officially disclosed information concerning the October 1973 Arab-Israeli war conceals



evidence that the Zionists were successful in penetrating the Arab side to such an extent that they were able to manage the war to their advantage. Even the day and time for the commencement of the war – Youm Kippur – provided a reasonable excuse that could be presented to the Israeli public that would satisfactorily explain the success of the allegedly surprise Arab attack. The Zionist already knew of, and were prepared for, the Arab oil boycott. In fact they may have secretly encouraged it. The price of oil rose by 400% from \$3 to \$12 within a year of the commencement of the war and the parallel Arab oil boycott of USA.

This spectacular rise in the price of oil not only benefitted the American and British-owned oil companies, but also, and more importantly, the largely-Arab oil exporting countries. The windfall in Arab oil revenues created an opportunity that was cleverly exploited by USA to seek to replace a monetary system hitherto based on gold, or superficially based on gold (i.e., Bretton Woods), with a new one based on oil. In other words the Americans wanted oil to function as gold in a new petro monetary system.

Henry Kissinger, the American Secretary of State (i.e. Foreign Minister), successfully negotiated with Saudi Arabia's King Faisal an agreement requiring oil to be sold for only US dollars. Saudi Arabia then persuaded the other Arabs to join in the agreement. This was the birth of the Petro-dollar.

The Saudi King is unlikely to have realized that he had signed into the





creation of an evil monetary system that was prophesied by his own Prophet (peace be upon him). As a result of that agreement, oil now functioned as gold on behalf of the US dollar. In fact the agreement was manifestly Haram. Prophet Muhammad (peace be upon him) insisted on the preservation of a free and fair market. An agreement requiring oil to be sold for only US dollars constituted a violation of the free market. And since the US dollar could no longer be redeemed for gold at \$35 an ounce, the agreement also constituted a violation of the fair market.

The US no longer had to bother about the relation of gold reserves with the quantity of US dollars in circulation. The price of gold could rise to infinity without posing a threat to the US dollar. In other words an opportunity was created for the US Federal Reserve Bank to create as much money as it wanted – with the sky as the limit – and to then feed that money into the banking system. As banks lent that money on interest the newly created money would then be legally recognized as money.

Indeed, as the world moved away from paper to electronic money, it would no longer be necessary to even print US dollar notes. All that the Federal Reserve Bank would have to do, and is currently doing as we speak, is to issue checks for trillions of dollars to banks and thus enhance capacity for the Zionist-controlled banking system to eventually rule the world on Israel's behalf.

Former Malaysian Prime Minister Dr Muhammad Mahathir wrote recently to give his views on this extremely dangerous development. This is what he had to say:

Q E II – 2: The world is being taken for a ride by the great western countries, Dr. Mahathir Mohamad, Prime Minister of Malaysia, 1981 - 2003

1. Q E II is not Queen Elizabeth the Second. It is a term invented in the West to describe printing money to pay debts or to revive the economy. It stands for Quantitative Easing No 2.
2. It is a great way to make money to replace the money that a nation has lost in a recession caused by abuses of the financial system. You just print more money.
3. Actually I don't think they actually print currency notes amounting to the hundreds of billions of dollars or pounds to replace the money they have lost. The amount of printed currency notes would be huge and be very difficult to transport to the banks which have lost the money. There would be a stream of armoured cars from the mints to the banks.
4. I suspect what they do is to issue cheques in favour of the banks. The amount would be entered in the books of the banks.
5. If the banks need to pay or to lend money, again cheques would be issued or the amount credited to the person or entity in the books of the banks.
6. Should the persons or entities wish to pay for anything, again they would issue cheques. The amount in the cheques would be credited to



the accounts of the persons or entities who would then be entitled to issue cheques in payment for whatever.

7. At no time will anyone get or be paid in cash. So what need is there to print money in the form of currency notes. Any time these countries lose money, all they need to do is to issue cheques to whatever amount they need.

8. However this Q E is a privilege for the rich nations only. When Greece lost money, it could not print currency notes or issue cheques to pay debts. Greece needs to borrow money from European countries to repay loans. Again no currency notes would be involved. The amount lent would be credited to the Central Bank of Greece which then would issue cheques to the commercial banks.

9. We hear that banks like Goldman Sachs have recovered and are able to pay back the loans given them by the Federal Reserve Bank. The quick recovery is through borrowing the Q E money from the Fed at no interest or minimal interest and then buying Government bonds. Buying Government bonds is actually lending money to the Government. The Government has to pay interest on the money borrowed, which gives Goldman Sachs a good return. Hence the quick return to profitability of Goldman Sachs.

10. I am not a financial or monetary expert but I would like to hear the experts say that what I describe here is not happening.

11. The world is being taken for a ride by the great western countries and their systems for everything. It is a case of doing as I tell you and not doing as I do. Rightly both the United States and United Kingdom



should be bankrupt. To recover they should be selling all their banks, industries and other assets at fire-sale prices. That was what the Asian countries were forced to do after the currency traders forced many of them almost into bankruptcy. But the bankrupt powerful countries of the West don't have to do that. They carry out Quantitative Easing, print money (issue cheques) and refinance their banks and bankrupt industries. And they talk about transparency in business practice.

Reference to the issuance of cheques today is achieved through the press of a computer button and the fine art of accounting (double-entry bookkeeping of debits and credits).

Kissinger also got agreement that windfall profits that would now come to the Arab oil-producing States from the ever-rising price of oil (consequent upon the ever-falling value of the dollar) would be invested in western banks in what common people recognize as Fixed Deposits. They would invest their petro-dollars in US Treasury bonds for example. Thus petro-dollars would transform them into money-lenders on interest.

I suspect that the quid-pro-quo for this agreement was a secret defence treaty in which USA guaranteed the security of the State of Saudi Arabia.

We are now located at that moment in the historical process when Dajjal is about to transit to the third and final stage of his mission. In Dajjal's stage one of his mission the world experienced Pax Britanica and the British Sterling Pound as the international currency. In stage two, Pax Americana replaced Pax Britanica, and the US dollar replaced the



British Sterling pound as the international currency. Our view expressed in Jerusalem in the Qur'an which was published in 2002, is that Pax Judaica will replace Pax Americana and that a new international currency will replace the US dollar.

We do not know whether that new international currency will be the Israeli Shekel, or whether Zionist bankers will coin a new name for electronic money (SDR or BANCOR). Whatever be the name of the new international currency that would succeed the US dollar, it should be clear that it will be based on the same petro-money foundation as the petro-dollar. This would not be possible without an alliance between Israel and Arab oil producing States – Saudi Arabia in particular. We are now able to understand more clearly why Prophet Muhammad (peace be upon him) made that ominous declaration concerning Najd, from whence the Saudi rulers of that country emerged. He said that “from Najd would emerge the horns of Satan”.

The greatest of all dangers posed by the petro-money monetary system is that it allows the Zionist-controlled banking system to create as much money as they wish. There is no legal limit to the creation of money, the sky is the limit. That wealth can then be used to enslave those who oppose Israel, while enriching those who support Israel. In fact many people in the world already live at the door of that slavery.

The Israelites were fortunate that they did not have to repent to gain the favor of Allah Most High to be led out of Pharaoh's slavery. Since then





(He believes that) he has hosts of helpers - both such as can be perceived by him and such as are hidden from him - who could preserve him from whatever Allah may have willed. (But he should know that) verily, Allah does not change men's condition unless they take the initiative, while using His guidance) to change their own condition; and when Allah wills people to suffer evil [in consequence of their own evil deeds], there is none who could avert it: for they have none who could protect them from Him. Qur'an, al-R'ad, 13:11)

We have counseled a strategy of defiance of the legal prohibition of the use of gold as money. However, in view of the possibility of State violence in response to gold being used as money (including gold coins being seized by the State), and since there is no legal prohibition of the use of silver as money, Muslims should now lead the rest of the world in creating markets in which silver Dirhams would be used as the medium of exchange. It is unrealistic to assume that there is any possibility of getting petro-money out of circulation in the world of Islam. Hardly any government dares to defy the Zionists. And the Ulama or religious scholars of Islam have so far refused to declare paper, plastic and electronic money now in use to be Haram. Consequently silver Dirhams will circulate alongside petro-money. What problems are we likely to encounter when silver coins circulate alongside petro-money, and how should they be resolved? No one, perhaps, has done more research on this subject than our next speaker, Hugo Salinas Price of Mexico.

## Islam, Murabaha and Fixed Deposits



Islam has declared war on the moneylender who demands interest. It did so in the very last divine revelation (al-Baqarah, 2:279) to come down in the Holy Qur'an. Here is that last revelation:

*“O ye who believe! Fear Allah, and give up what remains of your demand for usury (i.e., the interest due on a fixed deposit, or on any other loan on interest), if ye are indeed believers.” If ye do it not (i.e. if you persist in your claim or demand for the interest due to you), then take notice of (a declaration of) war from Allah and His Messenger: but if ye turn away (from such claim or demand), then you are entitled to the return of your capital sum (placed in the fixed deposit or otherwise lent); do not enter into (such) unjust transactions, nor allow yourselves to be subjected to such.*

*If (you forgo the interest due to you and then find) the debtor in a difficulty (in respect of returning the capital sum that was lent to him on interest), grant him time till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew.*

*And (in this matter in particular, i.e., lending money on interest) fear the Day when ye shall be brought back to Allah. Then shall every soul be paid what it earned, and none shall be dealt with unjustly. (Qur'an, al-Baqarah, 2:278-281)*





Prophet Muhammad (peace be upon him) declared that the consumption of even a Dirham (a silver coin worth a few dollars) of Riba (usury) was equivalent to “committing adultery 36 times”. He also declared that Riba was comprised of 70 parts and that the smallest part (was so bad that) it was equivalent to “a man marrying his own mother”. Indeed “he cursed all four, and declared that they were all equally guilty—the one who took Riba (i.e., the money-lender), the one who gave Riba (i.e., while paying interest on a loan), the one who recorded the transaction (hence bank personnel), and the two witnesses.”

Fifty years ago my own Muslim community of Trinidad and Tobago was led by Haji Ruknuddin (may Allah have mercy on him). He was a leader who both ‘knew’ and ‘lived’ Islam. At that time a Muslim money-lender appeared on the scene and the leader of our community made every effort to get that man to give up his money-lending. When he failed in that effort he responded by prohibiting Muslims from even having a meal in the moneylender’s home. The Muslim community obeyed the command of its leader.

But times have since changed, and our Muslim community is now led, with but few exceptions, by men who neither ‘know’ nor ‘live’ Islam, and by scholars who betray Islam. We even have Muslim leaders here in Trinidad who are consummate money-lenders, placing their money in highest yielding fixed-deposits in the international money market. They then use their bloated check-books that drip with the blood of the masses they have exploited, to bribe their way into winning elections and assuming posts of President-General of Islamic organizations. Those with the intellectual acumen of cattle



then legitimize such (checkbook) leaders.

Even Islamic scholars have fallen by the wayside so badly that when a Trinidadian (money-lending) bank organizes a function to commemorate Eid al-Fitr, an Imam who is described as a Maulana accepts an invitation to deliver a feature address at the function. Then his photograph appears in the daily newspaper posing with bank officials. And so, there is both widespread ignorance of the divine law pertaining to the prohibition of Riba, and, worse, wanton violation of that law.

In this essay we direct attention to ‘Fixed Deposits’ as well as to so-called Murabaha transactions in an attempt to explain such to be ‘money-lending’ transactions.

At the heart of the Islamic prohibition of usury (Riba) is the maxim that if you do not plant, you cannot reap. This constitutes a rejection of the false claim to a ‘time-value’ of money. Money by itself cannot increase over time without any input of labor, or without the risk (of loss or of gain) inherent in an authentic business transaction.

The blessed Prophet declared that any transaction involving an exchange of ‘money’ for ‘money’ must be an equal exchange, i.e., with no difference in amount of money exchanged. He declared that an unequal exchange (that would open the door for money to increase over time) would be Riba. Islam also insists that all business transactions must involve risk – and hence ‘profit’ or ‘loss’. Allah Most High can then intervene to distribute and redistribute wealth by taking from some and giving to others. In this way the

rich would not remain permanently rich, and the poor would not be imprisoned in permanent poverty

In his masterpiece entitled ‘Merchant of Venice’, William Shakespeare likened Riba or usury to a ‘pound of flesh’. And in a dream Prophet Muhammad saw the moneylender exposed as a ‘bloodsucker’ since he was standing in a river of blood. We noted earlier that the Prophet cursed “all four”, and declared that “they were all equally guilty—the ones who ‘took’ Riba, ‘gave’ Riba, ‘recorded the transaction’, and ‘the two witnesses’.” Whoever dies with the curse of a Prophet upon him can never escape the hellfire. The Qur’an itself declared that the moneylender would be punished with eternal hellfire:

*“Those who devour usury will not stand (before their Lord for Judgment) except as stands one whom Satan by his touch hath driven to madness. That is because they claim that: ‘Business is like lending on interest,’ but Allah hath permitted business and forbidden usury. Those who after receiving direction from their Lord, desist, shall be pardoned for the past; their case is for Allah (to judge); but those who persist (in claiming the interest due from fixed deposits or other such loans on interest) are Companions of the Hellfire; they will abide therein (forever).”*

(Qur’an, al-Baqarah, 2:275)

What, then, is the status of someone who makes a ‘Fixed Deposit’ with his money in a bank or any other financial institution? It should firstly be clear that he has not gifted the money. It must also be recognized that he has not

entered into a ‘business’ transaction since he is guaranteed the return of his money plus an additional amount. There is no risk. There is no possibility of loss. And hence that is not business! In fact, in making a ‘Fixed Deposit’, he has lent his money on interest (Riba), and has hence become a cursed moneylender. Those (Muslims, Christians, Hindus, etc.) who read this essay and, in consequence of fear of Allah’s eternal punishment, promptly respond by breaking their ‘Fixed Deposits’, would want to know what they could do with their Riba money. They can neither use it themselves, nor can they give it to others as charity.

## **BACK-DOOR RIBA**

Islamic Banks and other Islamic financial institutions are today lending money on interest through the back-door by disguising a loan as a sale on credit. They call it murabaha! But it is most certainly not murabaha! It is Riba! What the bank does is to offer an item on sale in a credit transaction with a price substantially higher than the cash price. While credit transactions are Halal, since the blessed Prophet (sallallahu ‘alaihi wa sallam) himself engaged in such transactions, there is no evidence that the credit price in such transactions was ever higher than the cash price. When credit price is higher than cash price then the implication would be that time has value. And the essence of Riba is that money grows over time. When a client wishes to purchase something, but does not possess the cash with which to purchase it, the so-called Islamic bank enters into the fiction of purchasing the item at its cash price and then selling it to the client on credit. The interest charges are added to the selling price thus making a credit price for the item substantially



higher than the cash price.

In fact the bank never actually purchases the item. Rather, it writes out a check to the client who then purchases the item in his name with the bank holding a lien on the item until the sale price is eventually paid to the bank. The bank therefore sold something that it never actually owned – and that is Haram! In actual fact the ‘sale’, also, was entirely fictitious. What the bank actually did was to ‘lend’ a specific sum of money on interest over a specific period of time and to then denominate the ‘loan’ in the amount of a final total that included the total interest payments as money due on a ‘sale’.

It is when the client defaults on payment of installments of money due to the bank that one is treated to ridiculous and utterly scandalous financial gymnastics. Consider the following: a client entered into a so-called murabaha transaction with an unnamed Islamic Bank to purchase a house with a market price of \$500,000. The bank wrote out the check to him for \$500,000. with which he then purchased the house in his name. He thus became legal owner of the house. The bank then transacted with him a fictitious sale agreement to sell to him on credit a house that the bank never owned (and hence could not sell) for a total of \$1 million. The difference between the credit and cash prices was thus \$500,000.

One month after entering into the agreement the client defaulted on his payments. The bank then repossessed the house and sold it on the open market for \$500,000. But the bank went on to sue the client for an outstanding balance of almost \$500,000. The court, however, dismissed the

claim and ruled that the bank was entitled to nothing more than the interest payment for the actual duration of the contract (i.e., the amount of time it took the bank to recover its \$500,000.)

We have a stern warning to deliver to those scholars of Islam who persist in defending the so-called murabaha transactions of Islamic Banks today. They defend the transaction with Fatwas (fatawa) that are as invalid as the Fatwas (fatawa) which today blindly declare paper money of the modern world to be Halal, and would equally blindly declare tomorrow's 'electronic money' to be Halal. If they obstinately persist in their defense of today's so-called Murabaha transactions, and then learn in Allah's court that it was not Murabaha but Riba, at that time they cannot plead for mercy from Allah for they will have misguided people, nor can they say "I did not know".