

Biblical lenders are constrained by the Jubilee cycle, because once every seven years the credit cycle ends. This means that they cannot lend what they do not actually have. In modern banking, a depositor puts his money in a bank, and then the bank lends it out. The depositor does not know that he is making a loan when he puts his money in the bank. If the debt is canceled in the seventh year, then the bank will not have the depositor's money. Therefore, a lender can only lend its own money. A bank would have to use its own capital and not the capital of the depositors.⁴⁰⁶

The Jubilee cycle and the natural Kondratieff wave also have prophetic significance. One can estimate the time of the next depression using the Kondratieff period of 54 years. The Jubilee cycle would prevent a high amplitude Kondratieff wave from occurring, and if the Jubilee principle were followed one might not even be able to detect the Kondratieff wave being suppressed. Since the Jubilee principle is ignored by the nations of the world, we may naturally not expect the full-blown Kondratieff wave to be *exactly* synchronized with the biblical Jubilee period. However, once the biblical Jubilee period imposes credit and monopoly controls, we may expect that the human behavior predicted by the Kondratieff wave will coincide with the Jubilee cycle.

Another benefit of the Jubilee cycle is that it does not require economists schooled in the theory of John Maynard Keynes⁴⁰⁷ to try to inflate the currency to prevent recessions from turning into mini-depressions. Keynesian credit expansion and contraction, and limited debt forgiveness through the disruptive creation of inflation is a high wire act that is ultimately overcome by the high winds of credit collapse as people become lazier and lazier in their lending and borrowing discipline.

The Jubilee cycle, in a sense, preempts natural depression, as expressed in the Kondratieff wave, by imposing its own artificial depression. In the seventh sabbatical year (the 49th), there is a land rest, and this is followed by the Jubilee in the 50th year, which is another land rest. Thus, the land rests for two years from sowing and reaping. This is a two-year cessation of the fundamental driver of ancient economies: agriculture. When agriculture pauses, business based on agriculture also pauses. This is a voluntary depression or cessation of the fundamental business for two years.

⁴⁰⁶ Furthermore, few depositors would have any incentive to keep their money in a bank. First, the bank cannot pay any interest due to the anti-usury laws in the bible, and second the original function of banks was not to keep money safe, but to provide a warehouse for rich merchant's gold, so that large amounts of it did not have to be moved around. Most people have little enough real money that it can be safely stored at home.

⁴⁰⁷ Keynes was a homosexual early in life and then married a Russian girl. Julian Snyder writes, "To the students of John Maynard Keynes, author of the *General Theory of Employment, Interest and Money*, which justified the deficit spending of the 1930's ... the idea of the economic long wave was not only an anathema, but ranked in their minds with such absurd methods for predicting the future as Biblical prophecies and astrology" (pg. 3, *The Long Wave Cycle*, Kondratieff).

Therefore, instead of being caught by surprise by the end of the Kondratieff wave, ancient Israel planned to cease the main business for two years by saving food and supplies. As Austrian economists will tell you, the only way to defeat a depression is to stop borrowing and to start saving. By saving at the critical moment in the cycle, and volunteering to reboot the economy by reduced business, the horror of collapse brought on by uncontrolled credit induced growth is avoided.



Biblical law requires just weights and balances, such as shown on this silver coin. Silver is the primary money of the bible.