

DOMINION STRATEGIES

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A long list of questions on farming. **Basically:** "Should a farmer declare bankruptcy under Chapter 11, and then **try** to rebuild?"

I would try to pay the debt for as long as I can. The indebted Christian person knew that he was becoming servant to the lender (Prov.22:7). He said he would pay. He should do his best to pay.

But if he can't repay until things get better, and he thinks things will get better (I think farming will be profitable again in the early 1990s), then Chapter 11 allows him respite. That is the only moral justification for Chapter 11: allowing a man time to reorganize, so that he can pay off his debts later. He should still pay off his creditors even though he doesn't have to. He should live like a pauper for seven years until he can pay them off. After that, if he still hasn't paid off his debt, he should sell the assets, distribute the proceeds to creditors on a pro-rata basis, and go into another line of work.

Frankly, debt-burdened farming is the devil's game. If you can't keep on farming without going to the bank every year, go into another line of work. Sell what you've got, pay off what you can, and go away. Farming is a losing game for the little guy, unless he has no debt.

Most farmers are debt slaves. They always have been. It is by the grace of God that farming has become sufficiently efficient that there aren't many farmers around any more. Modern agricultural technology freed more slaves than the abolitionists ever did. Sadly, most of them sold themselves right back into debt slavery when they came to the cities. But at least they don't work 12 hours a day as slaves. At least they don't work themselves to death; urban debt slaves "play" themselves to death.

If a vow is made to the Lord to abstain from a given practice (such as drinking alcoholic beverages) because one believes it to be sinful, and it later becomes apparent that total abstinence is not required by Scripture, is the vow still binding?

Yes, unless the vow is innately immoral and forbidden by the Bible. A vow is not to be entered into lightly. They are legitimate, but extremely dangerous. Better to handle explosives than to make vows. The vow is maintained because it was made to God in good faith. Stick to it, even though it was unnecessary. It will remind you not to make any more rash promises. It will also remind men that your word is good. The Bible praises "He that sweareth to his own hurt, and changeth not" (Ps. 15:4).

Nevertheless, if the church serves wine in communion, then a "no booze" vow can legitimately be broken, for taking communion is a fundamental requirement of the faith, and

the Bible specifies wine as the only valid form of representing the blood of Christ. In short, no Nazarite vows are valid today. A vow cannot legitimately be made to violate obedience to God.

If a promise (oath) is made to another person to render a particular service, must this **service** be rendered if the promisee says it is not necessary to do so after all?

First, no oath can be given to another person, except in his capacity as a God-ordained official. Oaths are limited to three institutions: family, church, and civil government. (On this point, see my book, *The Sinai Strategy: Economics and the Ten Commandments*, ch. 3.)

Second, if the person does not want the service, that is his option. Perhaps you are making him feel guilty, or in some way in debt to you. If such feelings disturb him, he should have the right to get rid of them.

Third, it might be wise to offer to substitute a gift to someone else or some organization. That way, he doesn't feel cheated, and yet he doesn't feel guilty, either.

Regarding women entering the labor force: What do you think of the idea that the rise in the number of **two-income** families has contributed to the problem of inflation?

I think the idea is ridiculous, unless one of them is a counterfeiter.

Let's consider the logic of this line of reasoning. Would anyone like to make a case for the idea that a one-income family contributes to inflation, compared to a no-income family? If not, why not? If so, so what?

What the two-income family does is to get two people to enter the market to sell goods and services. This increases economic output. Thus, it tends to reduce prices, not increase them.

No doubt the two-income families have raised demand for certain products. A good example is the three-bedroom, two-bath home. Another is the McDonald's hamburger. But unless there are few "economies of scale"—cheaper prices through mass production—this increased demand will not raise prices for very long. However, homes are not usually beneficiaries of mass production. Thus, two-income families have probably led to higher demand for nicer homes, and this demand has kept prices high. But the 30-year mortgage is far more responsible for this increase in prices than the two-income family.

Three and a half handwritten pages of questions on private factoring trusts as investments.

Gee, you've got me! So has your handwriting.

You have the knowledge and skills to inflict serious and potentially lethal bodily damage on an individual. When confronting a mugger, burglar, rapist, etc., in a situation which may or may not be dangerous to you, are there any biblical limitations on what action you may take and when you may take it?

Exodus 22:2-3 presents the case laws governing burglary. James B. Jordan's comments in *The Law of the Covenant* are appropriate. If a man breaks into your house at night, you may defend yourself, including killing him. If he is stealing from your yard during the day, you are not allowed to kill him.

I think the best analysis on the general subject was given by Rev. Milo Jamison. When asked by a law enforcement officer whether a Christian should shoot to kill a criminal who is attacking him, Jamison replied: "Sure. He's going to hell anyway." Theologically, this is as precise as anyone really needs to get.

But the courts being what they are these days, it's probably better to kill the assailant than to let him testify against you in a court. The richer you are, the truer this is. Juries award huge sums based on the "deeper-pocket jurisprudence."

When a man is going to kill you, or may be about to kill you, and you can kill him first, do it. Better to be tried by twelve than carried by six.

Yet another question about life insurance. What kind is best?

Buy the least expensive annual renewable term insurance you can find. Two companies will send you free quotes from five super-cheap companies. My corporation owns one of them, and my competitors own the other. I won't tell you which is which (this is a non-profit newsletter). Call toll-free to Insurance Quote (1-800-972-1104) or Select Quote (1-800-343-1985).

A single man should probably name his church and his parents as the beneficiaries. Married men should have their wives buy the policies, with the wives as beneficiaries. If necessary, give the wife the premium money. Wives should be given sizable gifts annually. Up to \$10,000 can be given without gift tax consequences.

Should I buy a \$200,000 house in Los Angeles now that interest rates are low?

No, you should probably rent in Los Angeles. If you want to buy houses, buy them using the techniques described by Robert Allen, A. D. Kessler, and Al Lowry, preferably outside of California. Get a distant partner to manage them for a part-interest in the properties. Houston is a good bet: you can get some incredible bargains, and by late summer, there will be a bonanza.

Don't risk your money and your economic future on buy-

ing a \$200,000 home in a region that has suffered such high run-ups, unless it's your dream house and you never intend to move.

What is an inflationary depression versus a deflationary depression?

A deflationary depression is a depression in which the money supply is dropping, and free market forces are pressuring sellers to lower prices, but the sellers aren't allowed by law to meet market demand by lowering prices. Those who earn money by selling in legal markets suffer unemployment. Example: 1930-34.

An inflationary depression occurs when the money supply is rising, but not rapidly enough to enable buyers to meet rising prices. This means that sellers are refusing to sell goods for depreciating money in the legal markets. They barter instead. Or they sell in illegal markets. Those who earn money by selling goods and services in legal markets suffer unemployment. Example: Germany, 1921-23.

What type of strategy do you recommend for reading?

Generally, I recommend reading from the left-hand side of the page to the right-hand side, unless you live in the state of Israel. You do this whenever you have any time to read. I strongly recommend that you begin with any books that ICE sells. The one thing you must not read is the T.V. guide. It leads to mental retardation. It will also stunt your growth.

Why do prices seem to be going up so slowly, when the money supply is rising at close to 10 percent a year?

The producers of commodities— metals, agricultural products, energy— played the debt game in the second half of the 1970's. The banks loaned them money on expected prices that were high.

When the monetary crunch (stable money) came in October of 1979, it forced up interest rates and created a recession in 1980-82. The producers couldn't cut back, even though prices were falling, because of the cost of repaying their debts. Thus, wholesale prices of goods (though not services) have dropped back to the level of the mid-1970's, and in some cases (e.g., copper) the mid-1960's. The only exception so far is gold.

Thus, those who are in debt get trapped. They keep producing more of their commodities to "stay even" with lower prices, and prices fall even faster.

The increase in the money supply has not registered in higher or even stable commodity prices. The new fiat money has only been sufficient to keep the economy growing. This has given the government the opportunity to reflate without tears.

But the banks may begin to collapse. Already, the government has introduced new definitions of what constitutes a bad loan. So to keep the system from toppling, they will have to continue to inflate the money supply. This means that eventually commodity prices will rise and the inflationary psychology will return. But it may not happen until President Reagan is not in office.