

# CounterPunch

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## Shut Them Down Before They Start ...

BY ALEXANDER COCKBURN

We regard it as a safe bet that if asked to write the agenda for the Democrats, you, CounterPunch readers, would lead off with: pull out of Iraq; repeal last year's Military Commissions Act and the Patriot Act; end warrantless wire taps, in fact, end wire taps period; restore the Bill of Rights. None of these figures in Pelosi's First Hundred Hours agenda.

Bad enough. But who's pushing the Democratic leadership to do better? Jonathan Tasini challenged Hillary Clinton in the New York senatorial primary. We're looking at his ten top Must-Do list for the Democrats. His "bold" program leads off with universal health care, lower energy costs, free wi-fi for all. The war and the Constitution don't feature on his list.

Here's Debra Sweet, national director of World Can't Wait. "We'll give them a couple of months or a few weeks to see what they come up with" A couple of months? Why wait?

Dennis Kucinich? Try to figure which side of his mouth he's talking through with this one: "We cannot let this war be lost. We cannot abandon the troops in the field to temporizing."

Ralph Neas, head of People for the American Way, says he hopes this Congress won't be a disappointment. "On the other hand, there is a lot of pragmatism as we go into the 2008 election season."

"Pragmatism"? Wasn't that the label on the Clinton health plan of 1993? We don't need pragmatism, aka crackpot realism. We need Democrats who will do what the voters on November 7 said they should do. Shut the war down, by shutting the money down, same way Cindy Sheehan shut down Rahm Emanuel on January 3 because he wouldn't talk about the war. It's simple. CP

## Mall Versus Mosque in the War on Terror How Islamic Charity Works

BY R. T. NAYLOR

Usama bin Laden, according to a top level "independent" task force of political hacks and self-appointed experts in "clandestine finance" set up by the Council on Foreign Relations, worked his monetary magic with the usual tools of clandestine finance – cash couriers, shell companies, coded bank accounts, and the like. He also employed the notorious hawala system, a supposedly ultra-secret method of sneaking money around the world which in fact sometimes operates openly with witnesses, provides written receipts and in some countries even has its service charges printed in local newspapers. The Task Force was unable to specify a single instance of Usama's use of hawala. And allegedly he had yet another trick up the sleeves of his loose-fitting burnoose.

Over the previous two or three decades, Islamic charitable foundations (along with Islamic banks and investment companies) had spread widely. They could, so the story went, raise money in wealthy places like the Gulf or the U.S., then move it to finance terrorist outrages while pretending to bring succor to teary war widows and doe-eyed orphans. Most money moving through such charities was of anonymous origin.

That was grounds for serious suspicion. After all, what decent American would contribute a large sum to a charity unless they got a public accolade and a fat tax write-off? While an attack on hawala merely closed a terror-dollar channel, an assault on Islamic charities could also stop actual fundraising. It could also insult the core religious beliefs of 1.3 billion Muslims, but that was just more collateral damage.

Although popular bigotry and political opportunism certainly play a role, part of the West's confusion over Islamic charities arises because the Qur'an supports an economic ideology very different from the canons of savage capitalism so beloved of today's bond brokers and televangelists. Islamic ethic imposes on Muslims as their primary duty the creation of a just society that treats the poor with respect. It favors equity over economic hierarchy, cooperation over unscrupulous competition, and charitable redistribution over selfish accumulation. In effect, the Qur'an was an early blueprint for the welfare state.

The most fundamental premise of that ethic is that economic activity is inseparable from spiritual. The ultimate purpose of life is the ibada of Allah. More than simply worship, this implies total submission to God in all aspects of life, including the economic. Where God and the market disagree, the market must give way.

Therefore, private property rights are not absolute. Ultimately all material things are gifts from Allah over which humans (individually or sometimes collectively) only have trusteeship. This makes it easier for a state authority, acting nominally on Islamic principles, to set limits on what a person can do with economic assets without invoking the protests common in the West against interference with the divine right of property. Islamic thought also makes a distinction between direct gifts from God and things that owe their existence mainly to human intervention. The first are common property. The Qur'an so specifies water, pasture, and fire (i.e., wood and forest resources). Some clerics add certain types of mines – like

petroleum wells.

Since wealth and resources are bequeathed to humanity in trust, people are expected to exploit them for economic gain; but they cannot waste or destroy; and anything they earn is to be used for God's work. That requires donating to the mosque and to the general defense of the umma and relieving the economic hardship of others.

Obviously, this egalitarianism is far from perfect in practice. Apart from the frequent economic subordination of women (something, of course, totally alien in the Christian world), it is a fair criticism that some Muslim countries condoned slavery until fairly recently. Indeed, one finance minister of Saudi Arabia in the 1950s had been a slave by birth. Leaving aside the fact that in Islamic countries slavery was more often a form of bonded personal service than a mode of organizing labor for economic profit, and that Islam made a virtue of freeing a slave, if the West is so socially advanced, it is curious that there has never been a black secretary of the Treasury in the U.S.A. or, for that matter, a non-white minister of finance in any major European country to this day, several generations after slavery was abolished. Whatever the social failings of places where Islam is predominant, the Qur'an makes clear that the umma is defined by faith alone, with no reference to race or nationality;

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and Islamic doctrines with their stress on cooperation and equality to achieve falah (the welfare of humanity) are less compatible with economic servitude (in both historical and modern forms) than the grab-and-run ideology now rampant in "advanced" countries, with the enthusiastic endorsement of modern "fundamentalist" Christianity.

There are several instruments used to turn Islamic economic philosophy into practical action. These include: restrictions on how business enterprises are structured; a ban on fraudulent practices; condemnation of gains from pure speculation; and, to aid circulation of wealth, injunctions against hoarding in the hands of a few. None would likely earn plaudits on the editorial page of the *Wall Street Journal*. A prohibition on trading in produce before crops are ready for harvest would spell ruin to the Chicago commodities exchange; a demand that employers pay decent wages promptly would hardly be appreciated by today's vulture capitalists who count on rolling back wages and looting employee pension funds to finance acquisitions; and provisions for the intergenerational dispersion of wealth could mean the end of the great family trusts in the U.S.A. that ensure perpetuation of dynastic control without the nuisance of taxes.

All of these instruments are important. But two others are central to implement an Islamic vision of economic society. One provided the impetus for the rapid growth of Islamic banks and investment funds; the other led to a worldwide expansion of Islamic charities.

## IN WHOSE INTEREST?

The first of these fundamental instruments of Islamic economics is the ban on riba – literally an "increase" in the sum needed to repay a loan. Some jurists argue that it only forbids the pre-Islamic practice of doubling an overdue sum, which sometimes led to enslavement of the debtor. Some contend that it bans "excessively high" rates of interest. Some claim that it prohibits outright all interest payments. Even then there are dispensations. In the past, some schools of Islamic jurisprudence permitted certain tricks to disguise interest payments that were imported directly, sometimes with their Arabic names, into Europe when evasion of the similar Catholic ban on collecting interest became widespread during the

Renaissance.

There are many good reasons to prohibit at least oppressive rates of interest, as low-income groups in the West today can attest. Well before Islam, societies learned that to avoid famine, economic collapse, and social upheaval, they had to ban the unrestricted accumulation of assets by an elite through the progressive indebting of most of the population. Hence secular and/or religious authorities would periodically cancel debts and redistribute agricultural land (previously lost through unrepayable debts) back to landless laborers.

With the advent of Islam, arguments against usury became more sophisticated. Unlike trade, which involves an exchange of value, with usury the flow is one way. Usury thus violates the core principle that Allah created wealth for the general benefit. Usury also increases economic inequality, potentially robbing the debtor of dignity and of the means of subsistence, to the advantage of a creditor who does nothing socially useful to justify that income. In Islam, the only rationalization for inequality of wealth is that those with more aid those with less. That does not mean debts go unpaid. While the well-to-do are expected to make interest-free loans to the not-so-fortunate, those who borrow are expected to repay promptly. However, if someone is unable to repay because of circumstances beyond their control, the creditor is expected to grant more time or, if the debtor's condition is particularly serious, write off the debt. Such a prescription for pious behavior is likely to send shudders up and down the spines of the directors of Citibank or Chase Manhattan as well as to invoke the ire of the International Monetary Fund.

Today, too, there are exceptions. In Egypt, for example, in a fatwa contested by Islamic courts elsewhere, the Grand Mufti of al-Azhar authorized payment of fixed interest rates on savings accounts. Some saw that as just another example of al-Azhar acting as a mouthpiece of the state. Others argued that since the depositor willingly turned over the money to the bank, depositor and bank were partners in an investment, not engaged in a usurious transaction. Similarly some ulema in the Gulf states endorsed the practice by which the area's banks receive interest when they make deposits in international banks while refusing to pay it to depositors back home. However, those clerics usually insist that (**Charity** continued on page 4)