



LIBERTY *Matters*

NEWSLETTER OF LIBERTY TRUST

September 2011
Vol. 2, no. 49

P.O. Box 2211
Whakatane, NZ
0800 Lib Trust
info@libertytrust.org.nz
www.libertytrust.org.nz

TRUSTEES

Kelvin Deal (Chairman)
Chartered Accountant

Jonathan Segedin
Building Sales

Colleen Medwin
Senior Teacher

Tom McDowall
Operations Manager

Robert Cleland
Dairy Farmer

ADMINISTRATION

Jenny McDowall
Info & Promotions

Kerryanne Dalgleish
Secretary

Kathleen Deal
Administrator

Mark Langridge
Computer Modeling

O Lord my God,
you have
performed many
wonders for us.
Your plans for
us are too
numerous to list.
You have
no equal.
If I tried to recite
all your
wonderful deeds,
I would never
come to the end
of them.

Psalms 40:5

Hello and welcome to our Spring newsletter. The sun is shining, the grass is growing and World Cup fever has gripped New Zealand. We are really thrilled to welcome new Liberty Trust contributors from Invercargill, Whakatane, Te Araroa, Auckland, Christchurch, Kawakawa, Hamilton, Wellington, Whangarei, Auckland, Ashburton, Kawerau, Lower Hutt, Whangaparaoa, Pegasus Canterbury, Devonport, Burnham Canterbury, Manukau & Palmerston North. Bless you. Welcome to our family. :)



High Court Verdict

In June the High Court overthrew the Charities Commissions 2010 decision by declaring that we are truly charitable and of public benefit.

The judge concluded "*Liberty Trust was set up to advance religion. It seeks to do that through teaching financial principles that Liberty Trust proclaims are the Bible's financial principles. It seeks to teach those principles through providing a scheme which allows its followers (and anyone else who wishes to join up) to pool financial resources for the benefit of themselves and others. Overall it is a scheme about "giving" in order to lead a Christian life free of the burdens of debt.*"

The Charities Commission did not appeal the verdict but reinstated us to the Charities Register the next day.

Inland Revenue

Despite this tremendous vindication the Inland Revenue has not yet concluded their review of Liberty Trust to decide whether we should remain an approved donee organisation. We will let you know as soon as we hear further.

Campbell Live

On 19 August Campbell Live ran a story on Liberty Trust, which stirred a lot of interest. They reported "*It's God's will that we don't pay interest, and aren't burdened with debt. Based on this biblical teaching, the Liberty Trust was set up 22 years ago. It has loaned more than \$22 million to hundreds of people, all without charging a cent in interest.*"

Thank you those brave people who were willing to be interviewed and share how Liberty Trust has helped them. You can view the story at www.libertytrust.org.nz/whats-new/news.

Website

We completed an overhaul of our website shortly before the Campbell Live screening. You can now find us at www.libertytrust.org.nz, www.libertytrust.org, www.liberty.org.nz and www.libertytrust.co.nz. We have thousands of pages on our website, which includes great teaching, interactive calculators, and 175 testimonies. We received 733 visits the night we were on Campbell Live and we have been busy fielding questions and applications ever since.

Shakespeare versus The Bible

It is quite funny some of the comments received after the Campbell Live story, for example on the TV3 website someone argued "It says in the Bible neither a borrower nor a lender be". However that quote is not actually from the Bible - it's from Shakespeare's Hamlet!

Unlike Shakespeare, the Bible actually tells us to lend - for example Dt 15:8 "Freely lend to him what he needs", Ps 37:26 "The righteous man is ever lending generously", Ps 112:5 "Good will come to him who is generous and lends freely", Mt 5:42 "Do not turn away from the one who wants to borrow from you".

However the Bible also says that lending should always be done without charging interest (eg Dt 23:19, Ex 22:25, Lev 25:35, Ps 15:5, Pr 28:8, Ez 18:13, Neh 5:10 etc) for the uplifting of the borrower.

We pray some seeds have been planted in the minds of many unbelievers, showing that the Bible is true and that it provides answers for the concerns of today.

We are currently working on a promotional DVD which should be available in November. Our hope is that you can all share our DVD and literature at your churches and cell groups and around your friends and families so that they can all find interest free liberty by applying God's principles. We have good news which is available to all!

"You are the light of the world. ...
So let your light shine before others,
so they may see your good deeds and
praise your Father in heaven."

Matthew 5:14-16

Kelvin's Comment: **How the Mighty are Fallen** (2 Sam. 1 v 19)

This anguished lament of King David's has been on my mind these last few weeks, producing a sense of sadness. David was grieving both the death of King Saul and his son, Jonathon.

These are hugely historic days we are living in, amid fears the economic crises in Europe and the US are snowballing beyond the control of policymakers. World share markets have plunged after a series of grim forecasts for the global economy. The head of the World Bank has issued a stark warning that the world was in a "danger zone" and that heavy debt burdens could "suffocate" a recovery. The IMF said the US economy faces longer-lasting problems that go beyond high gas prices and disruptions caused by the Japan crisis. Employers are adding few jobs and giving out meagre pay raises. Many homeowners owe more on their mortgages than their homes are worth.

We are now in the fourth year of the financial contagion that began in the US in 2007 and now seems more deeply entrenched than ever. With Standard & Poor's downgrading of its credit rating of America, are we watching the final economic demise of a world power: America, the supposed bastion of Christianity? America's level of industrial output was once the envy of the world's nations. Once, its immense production of armaments was largely responsible for the Allied Forces' victories in both the First and Second World Wars. Today its manufactured exports can no longer compete internationally with China & India, who are likely to become the new economic powers. US gross debt shot up \$238 billion to reach 100 percent of gross domestic product after the government's debt ceiling was lifted in August. Russian Prime Minister said at the time "They are living beyond their means and transferring part of the problems onto the world economy".

As a result of the S & P downgrade, America's interest rate on its borrowings will increase, making further borrowing even more certain. Their largest foreign lender is China but they can't rely on China for relief. "We can't just go save someone," said Gao Xiqing, president of China Investment Corp., China's huge sovereign wealth fund. "We're not saviours. We have to save ourselves" - Wall Street Journal 26/9/11. Meanwhile Europe seems only months behind as the ECC seeks to prop up government debt of one profligate member nation after another. European banks have seen their stocks slide sharply this summer on fears that their exposure to the government debt of shaky countries like Greece could result in big losses. In an effort to protect existing lenders to these countries, the stronger European nations are continuing to lend trillions of Euros to the weaker, with little likelihood of ever being repaid.

Just as every family understands, one's spending must be kept within one's income. As fast as their level of prosperity has declined however, Europe and America have been borrowing to make up the difference in order to continue their relatively high standard of living. Economists call this "private debt". On top of this there is "government debt". Politicians promise much in order to gain votes, and then borrow to pay for their promises. This is the debt that particularly concerns credit rating agencies. Faced with the prospect of falling incomes, rising unemployment, related social consequences like drug use, crime, etc, and the need to rescue their failing banks, politicians have been grossly borrowing, fully aware that the cumulative effect of the rising cost of interest will inevitably bankrupt their nation - hopefully in the next generation - not theirs.

One inevitable result of the American and European long-term economic situation will be escalating riots the likes of which we have recently witnessed in London and Paris. These are caused by the widening gap between rich and poor, and the struggle by the poor to afford basic necessities. This is also a major cause of the riots in North Africa and the Middle East. Much of the world's staple grain (for bread), has seen the price escalate due to the West's desire to buy grain to produce bio-fuel, and so lessen Western dependence on Arab oil. Many Middle-Eastern and Asian countries have an even larger imbalance between rich and poor. The threat of riots in these countries will be just as real in the future, unless mankind learns to share its resources between rich and poor.

Does this signal God's end of the world? – NO - But it does signal the end of a world we have grown to know. We must learn to live with the results of past greed and pollution. What about New Zealand? Just like America and the EEC nations we have been borrowing for years to pay for our profligate spending, without saving. This is simply "greed". We have been borrowing huge sums from our banks, which in turn have had to borrow from banks overseas in the absence of New Zealanders' savings. New Zealanders have been borrowing for consumption, as well as borrowing to buy properties in order to reap tax-free capital profits. The tax loop-hole of "no tax on capital gains", plus the tax deductibility of depreciation and interest on borrowing has made property a government-subsidised investment. This encouraged huge demand for housing and pushed up prices, so that most of today's young will be forced to expensively rent for their whole lives. Those who manage to borrow and buy using a bank mortgage will generally be burdened with debt for their entire working lives, until well into their retirement. How can Christians be good stewards when saddled with rent or a bank mortgage all their lives?

God's Word provides us with the solution. Instead of borrowing for selfish consumption, we should give and lend interest-free to assist one another. Instead of gambling on financial markets we build solid and secure storehouses. If we take time to consider the cost and diligently plant, instead of seeking instant gratification, we can be assured our perseverance will be rewarded. By working together we can see generations set free from debt, free to devote the rest of their lives to God. These are momentous days. You and I stand at a crossroad. Watch and pray and be prepared. God has a plan for each of our lives. *Kelvin*



Kelvin Deal
Chairman

