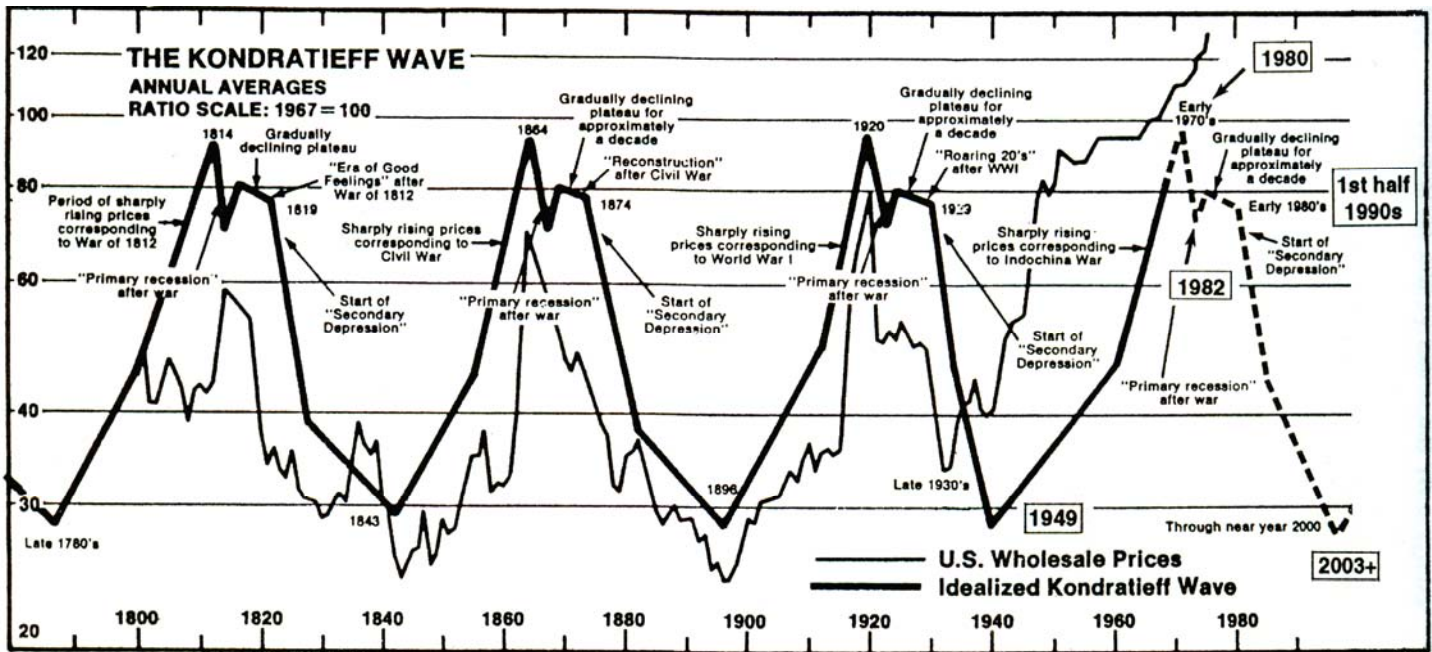


The Jubilee period is the longest time cycle in the economy of ancient Israel. This cycle regulated land use and inheritances. Landowners would inherit land permanently.<sup>398</sup> Furthermore, they could not *sell* the land to anyone else. Ownership had to be perpetual. The government could not take the land away or encumber it by any method. However, the owner could *rent* the land, and the maximum rental period was until the next Jubilee, which came every 49 years. In the 50<sup>th</sup> year, the land was returned to the owning family free of any legal encumbrances like taxes or debts, and the family was required to return to the land, after which, if they wished, they could *rent* it for another term of 49 years.<sup>399</sup> This system was based on the idea that God was the ultimate

by the Mayas of Central America centuries ago, and rediscovered in the 1920s by economist Nikolai Kondratieff of Russia.<sup>400</sup> Economists call this natural cycle the Kondratieff Wave. It lasts on average about 54 years, just over the length of the biblical Jubilee cycle of 49 years. This natural socio-economic cycle "in the history of agricultural prices goes as far back as the year 1260 ... and there is some evidence of a 50-year cycle of war and inflation in the Roman Empire"<sup>401</sup> The Kondratieff Wave is a long economic cycle of boom followed by depression and then back to boom again. It is the longest "business cycle" or repetition of expansion and contraction caused by credit excesses and monopolies.

The biblical Jubilee cycle was established to subdue

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sovereign owner of the land, and the Israelites were only vice-roys or caretakers obligated to maintain the land free and clear of competing sovereign interests.

The Jubilee was a form of socio-economic engineering. It prevented generational poverty, and made the establishment of large monopolies impossible. A man who was desperate for money might *rent* his land for the 49-year term, but his sons would get it back in the Jubilee. Nothing could be allowed to prevent the land from returning to its sovereign family owners — neither taxes nor debt. The land was returned free and clear. Nor could anyone owe any debts at the time of the return as these were all forgiven in the 49<sup>th</sup> year

The institution of the Jubilee corresponds to the occurrence of natural economic cycles. These natural economic fluctuations were "known by the ancient Israelites, identified

or moderate natural Kondratieff Waves to prevent depressions. Human beings live about 70 years, and their economically productive life lasts about 50 years. Between the ages of 15 and 65, most people take the risks and bets of their work and investment lives. Thus, the Kondratieff wave is biologically based on human behavior. It is in the nature of people to gamble with debt, taking on more than they can handle in good times. After about 50 years, the collective impact of this debt reaches a point where it naturally collapses in an economic depression that wipes out all the debt through bankruptcy or liquidation of assets at depression prices.<sup>402</sup> The

<sup>398</sup> The land was initially obtained by settlement of unused land, land that had been vacated by others or forfeited in war. Usually land was divided by lots in a pioneering era.

<sup>399</sup> The 99-year lease would be a rough equivalent of the type of rental contracts involved.

<sup>400</sup> Pg. 443, *At the Crest of the Tidal Wave: A Forecast For the Great Bear Market*, Robert Prechter, Jr.

<sup>401</sup> Pg. 3-4, Kondratieff, Nikolai, *The Long Wave Cycle*: Richardson & Snyder, 1984.

<sup>402</sup> The mathematical limits of compound interest result in debt service consuming all of the discretionary income in an economy. When there is no extra income to spend, after living expenses are paid, the economy stops expanding. Further interest charges from