

Shariah's Trojan Horse

By Frank J. Gaffney, Jr.

Monday, December 3, 2007

Suddenly, a new national debate is beginning about the national security, economic and other implications of Persian Gulf potentates using their petrodollars to buy up strategic American assets. Most recently, the Emir of Dubai's purchase at fire-sale prices of 4.9 percent of the largest U.S. bank, Citigroup, has caused a level of unease not seen since he tried to buy his way into a large number of this country's port facilities.

Almost completely unremarked thus far has been a parallel – and in many ways far more insidious – effort to penetrate, influence and dominate America's capital markets: so-called "Shariah finance." Some estimates suggest that there are approaching \$1 trillion now being invested around the world under this rubric. If present trends continue, all other things being equal, such funds may grow to many times that amount within a few years.

Shariah is, of course, the term used by adherents to the totalitarian ideology practiced by the Saudi Wahhabis, the Iranian mullahs and the Taliban to describe the all-encompassing theocratic code they use to justify repressive rule at home and to extend their dominance elsewhere. While it is often depicted by its promoters as Koranic in character, in fact, it is largely man-made, the product of dictates and rulings by caliphs and scholars over many centuries.

For non-Muslims, Shariah is best known for its sanction for the brutalization of women, homosexuals and Jews. Beheadings, amputations, flagellation and stoning are among the prescribed punishments for those who transgress this barbaric code, punishments plucked from primitive tribal practices in the Arabian deserts dating back to medieval times.

As a recent, excellent paper by my colleague at the Center for Security Policy, Alex Alexiev, points out, however, Shariah finance is a relatively contemporary innovation. It was not until mid-20th Century that Islamofascist ideologues like Abul ala Mawdudi and Sayyid Qutb introduced the notion that faithful Muslims must invest their wealth only in vehicles that comply with Shariah's putative prohibition on interest. In the decades that followed, relatively few in the Muslim world followed this admonition as most Muslims regarded with appropriate skepticism financial schemes that generally were not reliable investments, especially those that went to almost-farcical lengths to conjure up returns without acknowledging they amounted to interest payments.

Until now. In recent years, the windfall revenues flowing to the oil-exporting nations of the Persian Gulf have translated into an opportunity for the Islamists who dominate their societies to enlist the West's leading financial institutions as partners in promoting Shariah finance. In overseas capital markets and increasingly on Wall Street, "Shariah

advisors" are being hired at great cost to bless investment instruments as compliant with this religious code.

As a result, three ominous things are occurring:

First, Shariah finance creates a mechanism for systematically legitimating the underlying, repressive theo-political regimen – and, thereby, advancing its adherents' bid to govern all Muslims and, in due course, the entire world.

Presumably, Western bankers and investment houses would be horrified to know they are helping promote such arrangements. One would think their governments would be, too. Yet, the former are so avidly pursuing Mideast wealth that few seem prepared to engage in even the most superficial due diligence about the implications of Shariah finance. And British prime minister Gordon Brown, for example, has declared he intends to make London the Islamic finance capital of the world. His government has said it intends to issue its own sukuk (or "Shariah-compliant" bonds) sometime next year.

The trouble is that, having embraced one aspect of Shariah, it will be vastly more difficult, if not as a practical matter impossible, to deny Islamist activists their demands to accommodate other aspects such as: footbaths in public institutions, prayer rooms and time off for prayers in both public and private sector establishments, latitude for cab drivers and cashiers to decline to do business with certain customers or handle certain products, an Islamist public school in Brooklyn, etc. Like Shariah finance, each of these is but a beachhead in the Islamofascists' patient, determined and ultimately seditious campaign to subvert and supplant Western free societies.

Elsewhere in some of those societies, such inroads have been expanded to include: demands for Shariah-compliant schools as in the UK; a push in Canada for separate shariah courts for all matters within the Muslim community; Shariah tolerance for honor killings of women attempted in Germany; destruction of non Shariah-compliant businesses in dedicated "Muslim enclaves" in France; and in various countries, Shariah-approved assassinations of critics of Islam and anyone leaving Islam worldwide. Second, the Shariah advisors hired by Western capitalists to determine whether investments are "halal" (the Muslim equivalent of kosher) are generally among the foremost adherents to the Islamist creed and associated with organizations that promote it. As one of them put it, Shariah investing is simply "financial jihad" against the unbelievers.

Third, under the direction of these Shariah advisors, at least 2.5% of the proceeds of the investments they control are donated to Zakat funds. Some of these "charities" have been known to contribute to organizations like Hamas, Hezbollah, the families of suicide bombers in Palestinian communities and Islamist madrassas in places like Pakistan. As investment advisors start promoting Shariah finance vehicles and Islamic indexes like Standard & Poors and Dow Jones, non-Muslim Americans will find themselves tithing to these dubious causes, as well.

Before the Trojan horse of Shariah finance is fully wheeled inside the gates of the American capital markets, federal regulators, corporate boards of directors and U.S. shareholders need to understand whether such investing conforms with the good governance and accountability required under Sarbanes-Oxley, the transparency depositors are entitled to under our banking laws and legislation barring material support to terrorism. To do otherwise is to invite the introduction of the instrument of our undoing into our capitalist system and the freedom-loving society it underpins. Frank Gaffney Jr. is the founder and president of the Center for Security Policy and author of War Footing: 10 Steps America Must Take to Prevail in the War for the Free World .