

Usury

USURY: The Strange Superstition

**Talk Delivered by Richard Kotlarz 6/26/04 at Local Currencies in the 21st Century
– Conference held @ Bard College, NY
Sponsored by E.F. Schumacher Society, Great Barrington, MA**

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The eminent British economist Christopher Hollis captured the irony of usury as follows:

Indeed the historian has to record that in almost every age there was some superstition or other of utter unreason which strangely occupied the minds of men, otherwise of activity and vigor . . . We are sometimes ready to congratulate ourselves that our age has outgrown all superstitions. But the historian of the future will, I fancy, reckon in the same class . . . the strange superstition that, whenever money is invented, a percentage must be paid forever afterwards as a propitiation to a banker. It is on that superstition that the whole empire of Mammon is built.

The fatal flaw in economics is that it is founded upon invalid assumptions, the preeminent and most pernicious among them being the strange superstition of “usury.” It transforms money from being a supremely beneficent servant of life, into an altar of Baal upon which life is sacrificed to the deities of avarice.

Usury is the illusion that money is not barren, but rather the fecund source of life which can propagate ad infinitum by a unique law unto itself. This fallacy is so elemental that it strains credulity to understand how we, as a presumably enlightened and sophisticated civilization, are missing it. I can recall from high school science class a classic problem that went something like this – “If one started with a single bacteria, and it split into 2 in one hour,

and those in turn divided into 4 in the next, and so forth, how many would there be in 24 hours; 2 days; 3 days; etc.?" We were astounded by the realization that within less than a week the bacteria would fill first Lake Michigan, then the oceans, then the known universe. That lesson made a lasting impression upon my generation, and the consequence of exponential increase with respect to cell division has remained as an unshakable verity.

What if the question had been stated in terms of compounding usury-based money? The essence of the problem would have been identical. A single dollar issued at the birth of Christ, and supposedly "backed" by a 3 percent bond would, in the year 2004, command a payment of 51 trillion, trillion dollars for its redemption. This is an absurd situation, of course, yet we have turned over our entire economic life, and all that that entails, to the presupposition that dollars by the billions can be issued on similar terms, and somehow the "debt" so engendered can be rolled over indefinitely. Frederick Soddy, a British Nobel laureate in Chemistry, was appalled by the anomalies of the usury-based monetary system, and in response composed his classic book, *Wealth, Virtual Wealth and Debt*. He concluded, "If we reasoned similarly in physics, we should probably discover that weight possessed the property of levitation."

This segues incredulously into the question, "How can we be so stupid?" The brilliant and often altruistic achievements of human history amply attest that we are not a stupid people. Perhaps, in searching for the solution to the grand economic dilemma, we have been stretching our intellects in a quest for some financial Holy Grail, while the real problem has lain undetected beneath conscious awareness.

So, one might say, "I get it; I know what usury is; Now if we could only wake up those other people." Well I have news – we are those "other people"! In the immortal words of Pogo, "We have met the enemy, and he is us." Progressive activists generally have a superficial understanding of the term, but do not fully appreciate the depth and breadth of usury's lethal workings. My activist friends tell me that we can get to this arcane "banking issue" later; we have more immediate concerns like social justice, environmental destruction and an ongoing war to attend to now. What they resist coming to grips with is that usury is not merely another item on a list of issues that can await its turn. It is, rather, the engine that drives all issues, whether they are nominally economic or not. Addressing it is a prerequisite to being truly relevant in any direction. "Getting it" on usury would add a crucial depth and context of understanding, and render progressive exertions truly fruitful at long last.

Those of us who are relatively more aware of and engaged with monetary reform carry a special burden. If the truth fails, it is not because the “bad guys” have not done their part, but rather we “good guys” have chosen not to drink sufficiently of the cup. This is a simplistic melodramatic metaphor, of course. The complete truth is that every person on earth partakes of both roles. We are all part of the problem, and part of the cure. Still, it can be said that the enterprise of truth is not without its divisions of labor. Concerning the plague of usury, those typified by the exceptional gathering of souls at this conference will be called upon to do the heavy lifting.

What is called for is not merely superficial academic reasoning, however brilliant, but soul searching. The culture of usury has been woven into the warp and woof of our beings to a degree that is painful to admit; especially for those most actively in opposition to its predations. It has co-opted our foundation assumptions, language, thought structure, ethics, religion, politics and personal identities. It has re-hardwired our very brains. We have all been, at least unconsciously, agents of its mendacity, if for no other reason than having been raised in a usury-controlled cultural immersion so utter that the medium has receded to below conscious awareness, much like water to a fish. How else can we account for the cooption of an entire civilization, “otherwise of activity and vigor,” by such a patently false idea?

I am currently engaged in writing a book which has ambitions of exposing the black heart of the usury-based economic and cultural paradigm. I am hindered continuously by the lack of any rapport within which to communicate, or even think clearly on the subject. This must be recreated virtually from scratch. The whole of civilization is rotting and crumbling for this cause, and it is a necessary task to strip the contemporary zeitgeist down to its elementals, and then reconstruct it on a sound and consistent basis.

How have we come to this? This is the 87-billion-dollar question, and there is not nearly room to do justice to it here, but I would offer a few salient points for consideration.

We live in the era of the sociological J-curve. No doubt you have seen graphs that show how it took thousands of years for the earth’s population to reach its first billion, mere decades to attain its next, a handful of years to see the next, and so forth. At some point the numbers start zooming exponentially off the top of the chart. If one were to plot any number of concomitant phenomena (like say gross resource depletion, aggregate industrial production, the quantity of toxic chemicals dispersed, bacterial resistance to antibiotics, the acreage of earth’s surface area devoted to pavement, the growth of cities, the lethality of

weapons of war, technological development, or the number of McDonalds hamburgers sold), one would produce similar charts.

This burst of activity, whether deemed benign or not, represents occasion for monetization, or in euphemistic capitalist terminology, opportunity for “investment.” In actuality “investment” means “debt expansion,” and sure enough, aggregate “debt” has compounded at a roughly equivalent pace. The fact that we have seemingly gotten away with it for a handful of generations (albeit at terrible ecological and human cost) has spawned the cultural hubris that mankind has brought into being a new artificial order that trumps the natural creation, and that it is somehow sustainable.

Any lucid dialog on the subject of “usury” must include a reexamination of definition and meaning. I would note that “usury” and “interest” are not synonymous terms. On the contrary, they convey diametrically opposed ideas. “Interest” relates to the quantitative increase of money due to fruitful human endeavor. “Usury,” on the other hand, resembles “interest,” but only in a superficial way. Its increase is presumed to proceed from barren money by the mere fact of its existence. This is a manifestation of the delusion that money itself is wealth. Due to the subsumation to the exponential appetite of usury of the cycles and pulsations of the created and human universe, life lurches toward a calamitous reckoning as it reaches its limits in a vain attempt to turn the corner on so-called “debt.”

What is more, it must be understood that usury is not “debt;” notwithstanding that it is customary in even the most sophisticated usage to describe the consequence of usury erroneously as “debt.” You may notice that I occasionally violate this rule myself. The reason is that there is no existing cultural rapport within which the ideas could be accurately expressed without excessive caveats, explanation and redefinition. There is no English word that I know of that faithfully conveys the false sense of obligation that we translate as “debt” which is commonly attached to usury.

It behooves us to examine the validity of this ostensible “debt.” Usury is an unwarranted private levy upon a public trust made possible by the abdication by the sovereign of the money creation franchise. For lack of understanding, the virtue of the People has been commandeered into a misplaced conviction that the so-called “debt” occasioned by usury is a bonafide incurred obligation that must be “re-paid.” The whole of the Federal deficit

is such a phantasm. Mathematically speaking, it is impossible to pay, as the money supply would be extinguished to satisfy even a fraction of it.

The net effect of reflexively confounding “usury” with “debt” is to unwittingly legitimate the Ponzi scheme that is taking the world to monetary implosion. My observation is that in our “enlightened” era, denial, especially when related to money, is perhaps the strongest human failing. I can imagine a time in the future when our descendents (about whom we are forever engaged in hand-wringing about not wanting to pass on our “debt”), will come to their senses, dispel the “usury-debt” bogeyman back to the ignorance from which he came, and wonder in amazement how an age of “science” could ever have believed in him. They will regard with horror the terrible price we were willing to pay, rather than relinquish our attachment to this pernicious nonsense.

While usury is not interest or debt, it is “capitalism.” Stated another way, “capitalism” is effectively “usury-ism.” It is the economics of usury-based money. A truly free market is one equitably structured and monetized with publicly-issued, usury-free currency. Capitalism is not, in reality, a viable economic alternative. It is, rather, a fiscal cancer which attaches to the productive body-economic, while it sucks dry the energy and appropriates the identity of its host. This matter begs to be elaborated upon, but there is not room for it here.

We are here gathered at a conference to explore options for the invention and expansion of micro-currencies, motivated in large part by the pressing need to patch the cracks of macro-economic dysfunction. It is altogether expeditious and commendable that we do so. Nonetheless, it behooves us to bear constantly in mind that the usurious rapacity of the macro-regime will ultimately overwhelm our best efforts as it completes its terrible course. The local currency movement, if it does not move forward in sufficient mindfulness of the need for concomitant macro reform, may turn out to be little more than a distracting palliative. On the other hand, with its special insight, quality of commitment and experience with usury-free commerce, it could plant the seed for the transformation of the monetary system as a whole. Clarity and focus is everything.

We Americans have been here before. It is common knowledge that the American Revolution introduced into the world a new form of social order, distinguished by personal freedom within the rule of democratically determined law. What is not as widely recognized is

that it also initiated a new economic order. It sought to secure not only freedom, but also the means to freedom.

The seeds of revolution were sewn in 1690 when Massachusetts began to experiment with issuing their own “bills of credit,” at first to relieve a shortage of coinage, but soon also to avoid being forced to borrow usury-based currency from the Bank of England. Over the next $\frac{3}{4}$ century, similar measures spread to the rest of the Colonies, but the movement was eventually checkmated by England. This issue may fairly be said to be the root cause of the American Revolution. In the words of Franklin:

The Colonies would gladly have borne the little tax on tea and other matters had it not been that England took away from the Colonies their money . . .

As a result, the first two grievances set forth in the Declaration of Independence related specifically to the Crown’s failure to act on colonial monetary legislation after assuming the right of ratification. In essence, the economic impetus for the American Revolution was a great micro-currency movement necessitated by the ravages of bank-issued, usury-encumbered money.

I find it truly ironic that the most lucid commentaries on the economic lessons of that Revolution no longer come from Americans, but rather from our friends beyond our border and overseas, even from the mother country itself. I thank them for that.

Where are the Americans? Why is this country waging an imperial war in a former colonial protectorate? Why is imperialism morphing into “dollarization”? If so-called “debt” is a zero-sum game, why is every nation on earth sinking into it? In the course of answering these questions, we will find that America has largely forgotten its calling, and has instead succumbed most completely of all nations to usury’s spell. It is incumbent upon We the American People to reclaim and complete our Revolution, and to join with our brethren in foreign lands already engaged in the struggle. It is time for the American nation to desist from the pursuit of empire, and instead ring in the jubilee to a usury-enslaved world.

Before wrapping up, a caveat is in order. The economic and political resolution of the usury dysfunction would unleash a transformative power to human endeavor. It would allow mankind to monetize directly, and thereby consciously enable, any vision within its physical capacity. This has both an eminently promising, as well as a terrible dark potential. Halting

the practice of usury is not the whole answer. Mankind would be faced unavoidably with the imperative to at last live in truth, according to the better angels of its nature.

In *Religion and the Rise of Capitalism*, historian R. H. Tawney observed:

Few who consider dispassionately the facts of social history will be disposed to deny that the exploitation of the weak by the powerful, organized for purposes of economic gain, buttressed by imposing systems of law, and screened by decorous draperies of virtuous sentiment and resounding rhetoric, has been a permanent feature in the life of most communities that the world has yet seen.

It is time to arrest this tragic litany. Throughout history there have been many struggles to win the rights, protect the dignity and insure the welfare of mankind. These demands have unfailingly been resisted by a reactionary establishment, whose power is rooted in the economic currency of their day. It at first persecutes, then stonewalls, then grudgingly accommodates the demands. Indeed, it can be argued that it eventually preempts and incorporates the changes for its own devices, as part of the “imposing systems of law” and “decorous draperies of virtuous sentiment and resounding rhetoric” with which the system props itself up. Slavery is abolished, universal suffrage is won, the rights of labor are established, a social safety net is laid out, environmental laws are passed, and a multitude of other reforms are accomplished. Society moves ahead by quantum leaps.

Still, there is something essential we are not getting at. That is that the energy of our civilization, and in turn its social, political and economic structure, is still controlled from the top for the benefit of the few, rather than percolating up from the bottom for the welfare of the many. Indeed, it may be argued that the polarization is getting worse, and that mankind, as a species, is lurching dangerously close to self-annihilation. The reason for this, I believe, is that we have not properly recognized the bedrock importance of the nature and control of the monetary system.

Money is an abstraction. It is weightless, colorless, odorless, and otherwise intangible in every physical respect, yet it permeates everything. It is the essential energy, the life force, the prana, the chi of the system.

The physical part of an economy abides. The sun beams down, the rains fall, the plants grow, the infrastructure persists, and the hands and minds remain willing and able to do the work. This is equally true in times of boom and bust alike. What changes is this abstraction we call the monetary system. It is a paradox. It is nothing, yet it is everything. We

must finally transcend that paradox if the human race is to gain control of its own destiny. In doing so, we would at once transform the debate on all issues, from an impasse in which we appear to be checkmated by lack of funds, to an open-ended march to the future with all the physical and human resources that could be mobilized. Money would cease to be a bludgeon that hinders or drives the system. It would instead become a superconductor that transfers energy efficiently and equitably through it.

When we get fully into the monetary reform process, we will be dealing with, not just finances, but with a transformation of our whole civilization. It is the economic dimension of a larger key to crack the whole mess we are in wide open. We would at last break out of the usury-money straight jacket, and dispel the Federal deficit sword of Damocles. We would begin to reclaim the whole creativity, civility and humaneness of our civilization. For those with the vision to see it, this represents not merely a technical solution for an economic problem, but also the opening of a new horizon; one which could light up the imagination and creativity of a whole new generation.

Thank you for listening.