Money Fetishized as Organic: Christianity, Usury and the Power of Fraud

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The modern age has seen the total hollowing out of language. Words have so radically changed their meaning so quickly that they mean today the opposite of what they meant just a few centuries ago. Terms of this sort include: hypocrite, paranoid, tyrant, rent, idiot, liberation and usury. Many more could be added, and some are not quite so perfectly opposite, but it is true that for a modern to read a work of the middle ages is little more than comical. Words such as debt, trespass and sin are normally identical in the New Testament.[1]

"Usury" does not mean mere interest taken on a loan, much less "excessive" interest. It refers to the extraction of any income not deriving from production. In other words, money taken through a position of political power. Extortion is an example of usury, as is the ability to drive down wages through moving capital overseas. All of these are various forms of rents, or unearned income.

There was nothing beneficial about the drive for wealth and power. The point of life was far higher than that. However, social disintegration began with the Reformation, as it was one of the essential ingredients to the foundation of the Enlightenment. Luther and Calvin altered this ancient code. What was a deadly sin just a generation before became, in some circumstances, something praiseworthy.

It is not difficult to understand the purpose for the lengthy patristic, Scriptural and canonical condemnations of usury. Usury adds profit for those who do not work. Money, a mere medium of exchange, is viewed with a superstitious awe when it is capable of replicating itself as if it were organic. Usury is the most crass form of materialism. Had the idea of interest been based on profitable capital and beneficial investment, there would have been no problem. The concern was, rather, that interest is not charged on capital, but on the money itself.

If a bank were to lend to a small firm attempting to establish itself, and they failed, interest would still be demanded. If it were based on the capital, there would be no payment since the capital and its utilization has failed. Therefore, usury is a rent charged by those who need no more money upon those who do. It is a way for power to ritualize itself, to justify itself. It is the constant removal of needed wealth from a society which, as it is compounded, creates a tiny oligarchy which rules economic life.

This essay, in the process of dealing with many significant condemnations of usury and the ideology behind it, has the fairly easy task of demystifying the ideological jargon justifying the irrational and destructive practice of institutional usury. In other words, the church, and many others besides, saw this obsessive fetish of compound interest as a tax paid to the wealthy by the

1 Hudson, M (1993) The Lost Tradition of Biblical Debt Cancellations. Henry George School of Social Science: 42

less wealthy.

One of the more obnoxious manifestations of modern stupidity is to refuse to countenance ideas so blatantly obvious due to self-interest. It is not uncommon to hear pseudo-intellectuals such as Jay W. Richards in Crisis magazine arguing that capital investment is not usury when funds are lent at interest. Wisely refusing to speak of the Old Testament's endless condemnations of precisely that, he also neglects to mention that interest is compounded, today making up the overwhelmingly percentage of the price of commodities. In his desperate attempt to remain mainstream, Richards makes the following argument concerning Jesus' parable of the talents:

> The master expected the servant to invest, to put the money at risk. At the very least, the master tells the servant, he should have put it in a bank where it could bear interest. Jesus isn't giving an economics lesson—the parable is about the kingdom of God—but he treats prudent risk, investment, and interest in a positive light.

The argument can only be tongue in cheek. The banks of the era were pagan temples. Money was worshiped as a talisman. Ritual prostitution and abortion – including the sacrifice of children at the usurious capital at Tyre – were tightly connected in forcing infertility in both production and human reproduction. The prophets Joel, Hosea and especially Amos could not be stricter in their condemnation of the temple-banks that Mr. Richards claims Christ is supporting.

Interest seemingly falls form the sky and the tell-tale passive voice covers over the fact that banks, modern and ancient, do nothing to add value. "Interest" is the expropriation of labor taken from the earners and given to those who do not earn. Of course Christ is not given an economics lesson, Why should He? It was done over and over again by the prophets, the knowledge of whom was assumed by Christ for the bulk of his audience. "Put simply, usury is charging someone for something that has no value, in short, for defrauding someone, especially the poor and dependent, in a financial transaction." This statement wisely has no footnote, since it was never the definition of usury from the Babylonian empire to the Rothschilds. It is not even an argument, as if "defrauding" requires a separate condemnation. To defraud is evil by definition and hence, basing interest upon it would be redundant. Richards argument is illogical to the point of being comic. Interest is not earned by the lender, it is earned by those who paid the utter minimum so that interest can be paid to those who do not produce. Mr. Richards is certainly one of these.

Interest is fraudulent precisely in that it is expropriation. "Interest" is not invented by economics professors. It is earned by those who work for a living and, unlike university professors, can actually be fired for poor performance. Richard's humorous parody of the defense of usury is shown only as one extreme example of how far otherwise logical persons will go to defend the indefensible.[2]

The strictest Orthodox crusader who always has a quotable canon ready for any discussion is suddenly mum when the endlessly strict condemnations of profit and usury (broadly speaking) are mentioned in the Rudder. Capitalism, usury and enforced poverty have been, until the past 20 years or so, shoved into the background to make way for the easily condemned sexual sins.

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2 Richards, Jay (2014) Did the Church Change Its Doctrine on Usury? Crisis

Deuteronomy, one of the more essential books of the Law, reads, “Thou shalt not lend upon usury to thy brother; usury of money, usury of victuals, usury of any thing that is lent upon usury” (23:19). The reason for this is clear: the term “brother” suggests an ethical relationship rather than egocentric demands. Similarly, in Proverbs, “He that by usury and unjust gain increaseth his substance, he shall gather it for him that will pity the poor” (28:8). And another example is from the prophet Ezekiel: “In thee have they taken gifts to shed blood; thou hast taken usury and increase, and thou hast greedily gained of thy neighbors by extortion, and hast forgotten me, saith the Lord God” (22:12).

These scriptural examples are not the work of “primitive” minds. Moderns love to believe that they are free of such “ancient superstitions,” and yet, millions see wealth as an essential mark of distinction and celebrity. Usury has become the essential policy of all modern economies in that finance capital, having full control over money and its value, filters and directs all investment. Yet even this is too charitable, since this is not productive investment, but is often little more than the strip-mining of assets and the quick liquidation of new acquisitions.

From the Christian point of view, usury is the act of taking advantage of others, or prospering at another's expense. This is the much older and broader definition that goes beyond taking “too much” interest. It is the same as wealth extracts as rents and was almost the sole maxim of natural law according to Cicero. The wealthy are the only ones, especially in 2015, capable of amassing such massive stores of capital to lend, whether real or fictitious. Usury exists because of the radical imbalance in the control of wealth.

St. Gregory of Nyssa, on his “Sermon against Usury” writes,

> Money lending has no value and is rapacious. It is unfamiliar with such trades as agriculture and commerce; like a beast, usury dwells in one place and delights in banquets. Money lending wants everything to be wild and begets whatever has been untilled. Usury's home is a threshing-floor upon which the fortunes of the oppressed are winnowed and where it considers everything as its own. Money lending despises people contented with their possessions and treats them as enemies because they do not provide money. It watches courts of law to find distress in persons who demand payment and follows tax collectors who are a nest of vultures in battle array prepared for war (Patrologia Graecia, 42).

This encapsulates the entire argument against usury. The fact that modern variations of the practice have massive institutions, enormous prestige, academic defenders, state sponsorship, and a systematic means of operation do not obscure the essential facts of this “economic” view. These facts are worth mentioning since they summarize the crucial elements of any critique:

First, it is a mockery of the free market. Banks grow so powerful, making both private and public sectors dependent on them, that the taxpayer ends up paying for the recklessness of the rentier class. Banks privatize profit but socialize losses, as the old saying goes. Oligarchy is not the same as “market economics” as it is neither rational nor efficient. Similarly, finance capital was not the object of earlier theorizing about market exchanges, instead, it was productive investment built and financed largely by the same people and usually in accordance with local needs.

Second, it is often stated that banks are highly “rational” in the sense that they seek only those investments that will turn a profit (Rothbard, 1995 and Shanks, 1966). For example, Berkshire-Hathaway is a conglomerate of the most powerful and successful firms, including Microsoft, Omaha Steaks and Coca-Cola. Banks actually compete to throw money at this elite given its certain return. “Throwing” in this case is not always figurative. This means that such firms, due to their immense power, get low rates and the lion's share of available credit. As real entrepreneurs are often not elite backed, their credit struggle is the fist of many obstacles. The present oligarchic regime extracts usury not merely in that interest is taken from each and every investment made anywhere, but also in that investment is accomplished only for the short-term gain of those elites (Herring and Litan, 2003 for a detailed analysis of this phenomenon).

Third, usury, when institutionalized, eventually means the total control over a society in that production is suppressed as wealth gets diverted into rents (Goodson, 21). Above, St. Gregory states that usury “is unfamiliar with such trades as agriculture and commerce.” In the late antique period in which Gregory wrote, the modern idea of entrepreneurship was quite well known. Even then, true talent, genius, innovation and hard work remained under the thumb of those controlling access to money and, then as now, was considered a threat (Goodson, 4-6).

The occasional apologist for modernity will say that interest is being extracted on productive investment rather than on money. This is alarmingly common even in economics departments. Yet, regardless of whether or not anything is produced or if any profit is made, the lender still requires its interest and will liquidate part of the discounted capital to get it, often using the state as its agent. Among Islamic banks it is only in production that the lender gains anything. If the enterprise fails, then all parties lose. In the west, if the enterprise fails, the bank still will extract its money. More recently, the bailout of Goldman-Sachs and its allies was financed by taxpayers who often were themselves victims of the same oligarchy.

In the early Middle Ages, Geoffrey Chaucer's *Canterbury Tales* made similar arguments in poetic form. In his “Shipman's Tale,” merchants are shown to be parasites. The purpose of the tale is to make a point about commerce and its relation to labor. If the worker sells the product of his skill, any profit that can be justified if it is congruent with the worker's own investment in his ability. As economies grow, however, the merchant and banker appear. They do not produce, but manipulate those who do. Self-interested materialism takes the place of vocation and skill.

Chaucer makes this impressively modern-sounding point that money seems to be a power in its own right, with this power based on the rule of those who can enforce it (lines 186-7). Moreover, he uses what will become John Calvin's argument much later: the merchant depicted in the tale justifies his arrogance by saying that the financier gives needed money to those people who are likely to pay it back. In other words, it's in the interest of the merchant to lend only to those who will productively use the cash and render the bank a profit (lines 418-419). Even today, this is a common argument, though one that Chaucer rejected.

The merchant functions by convincing the producer that he can increase market share using tricks of the trade unknown to the ethically upright. Carefully cultivated skill is a worthy investment, but only in that it produces things. Usury, Chaucer implies (cf lines 413-417), is based on the desperation of those who are willing to sign any “contract” to get what they need. Hunger, want, cold and social exclusion, especially when chronic, lead to short-term thinking that can be taken advantage of by anyone sufficiently devious. However, this is not the full extent of the critique. No one is in favor of extracting interest from the poor. Usury also capital tempts productive people to expand beyond their means, promises them wealth and international renown and untold riches.

In the High Middle Ages, the greatest of the Scholastics, Thomas Aquinas, states, among other arguments, that money loaned at moderate interest for the sake of the common good is praiseworthy (Summa, II, ques 78, ans 1). This is the opposite of usury and in no way can be confused with it. What Thomas condemns in this set of questions is the control over money for the sake of speculative investment. It is one sort of loan when it seeks to earn a profit through needed labor that is for the good of all. This is not the same as money making money. In a sense, Thomas pulled out the first brick in the dam. It took very little to exploit the hole he just opened.

Modernity, however, dispensed with such "antiquated" ideas. Today, few can even consider a world where banks do not control commerce, production and investment. More ominously, the fact that governments, these massive structures with huge standing armies are constantly in need of cash. Hence, banks oversee both public and private sector investments.

Martin Luther says something similar to Thomas:

> Money engaged in business and money put out at zinss are two different things, and the one cannot be compared with the other. The latter has a base which is constantly growing and producing profit out of the earth without any fear of capital losses; while there is nothing certain about the former, and the only interest it yields is accidental and cannot be counted on (quoted in Wykes, 2003: 40).

"*Zinss*" here can be translated as "rent" in the sense of "rent seeking." Acting as if the patristic writers, masters of the Greek language and culture, were unaware of the difference between productive financing and usury, Thomas, Luther and Calvin seem to make the same point: that the risk the financiers take when financing investment is sufficient reason to charge interest. Luther did not accept the idea that banks should take their pound of flesh out of anything they can, but only on profitable investment. It would be a rare writer even today that would advocate that. However, neither Thomas nor Luther justifies the present rule of finance capital, who, as the recent bailouts prove, have "no fear of capital losses." The problem with what they say is that they created a justification for a systematic regime of rents. It takes little work for a banker to rationalize all profits in this way. Meanings become elastic and usury – so long as it does not take from beggars in the streets – is all about the commonweal.

John Calvin, in his commentary on Psalm 15, opines:

> There is no worse species of usury than an unjust way of making bargains, where equity is disregarded on both sides. Let us then remember that all bargains in which the one party unrighteously strives to make gain by the loss of the other party, whatever name may be given to them, are here condemned (Calvin, VIII, 1).

Hence, when there is "equity" in the contract, that is, there is no desire to take advantage of another, the interest charged is acceptable. In this case, if the desire of the usurer is something other than the desire to take advantage of one's want and injure them in the process, the interest is acceptable. The implication here is that St. Basil or John Chrysostom were lumping "equitable" loans from those somehow designed to sadistically inflict pain.

Calvin goes far out of his way to colossally miss the point. Calvin also glosses over the fact that money does not spring out of the earth like moss: it must be created through labor. That this labor is then appropriated by those who have done nothing to create it is a problem that, at least in his commentary, he does not raise.[3]

The Medici clan in Florence used similar arguments to justify their global financial empire. The papacy, a state like any other, also required access to credit to maintain its presence in the Catholic world. Twisting the patristic attack on usury, the early Medicis claimed that the only time a loan was usurious is when the profit was certain (Roover, 11). If it was uncertain, that is, required risk, then the interest charged was not usurious. This self serving definition permitted this cartel's rule over both the papacy and Florence under the guise of a "republic." (Roover, 11) Further, by separating the concept of usury from its foundation as rent, the real meaning of the word was destroyed.

Even worse, the Medici's had extremely creative ways of getting around usury laws, and this is a significant way that the prohibition against this practice affected the nature of the business in the Renaissance. Developing the concept of a promissory note, the Medicis claimed that international exchanges among currencies did not constitute a loan at all, let alone one that would be usurious. Interest was of course, hidden in the nature of the "exchange," and most "theologians," especially in Rome, thought this quite acceptable. The fact that the Medici elite were able to elect several popes proves just how powerful usury was and is (Roover, 12ff).

The work of Becker (1962) argues however, that the Medici did not really need this level of subterfuge to justify or hide their actions. Becker states that the cartel simply hired Florentine clergy that sold dispensations for the practice. That several popes were from the Medici family no doubt assisted in the ecclesiastical acceptance of the practice (Becker, 513). Becker also argues that the existence of civic debt also was used to avoid the prohibitions. If, for example, Florence found itself in debt, it was then able to argue that it required outside funding. This implies that any outside financier wants some return. This return is not usury because it a) is not practiced by the city directly, and b) it is not about profit, but about attracting needed liquidity for the sake of civic peace. This was another successful argument that helped bring the medieval period to a close (Becker, 514ff).

This level of cynicism and arrogance led to revolts against it. Savonarola is well known, but slightly less known is the Ciompi revolt in the summer of 1378 in Florence. This was the uprising of the poorest urban guild, that of the unskilled cleaners of British wool imports. The attack on usury was a part of their program, and, like Savonarola, saw the "republic" as a cynical facade for the rule of the Medici cartel. Seeking a fully representative assembly, this conception of democracy would, so they thought, assure that no secret power can rule. True representation was a direct participation in government that can easily uncover the workings of such devious people. It did not last. One might think that, even if it did, the lure of such wealth and power would tempt even the most idealistic (Lantschner, 287). However, these revolts from the Byzantine zealots in Salonika to the Ciompi in italy show that these "primitive" people knew the source of their misery.

Karl Marx famously blamed Jews for the materialist mentality in his *On The Jewish Question*. However, while not making usury a dominant part of his economic critique, his

3 Also see George, CH. English Calvinist Opinion on Usury, 1600-1640. Journal of the History of Ideas, 18.4 (1957), esp pages 455-459

economic condemnation of the practice can be summarized in this passage:

> On the other hand, interest-bearing capital is the perfect fetish. It is capital in its finished form. . . In the form of interest—bearing capital only this function remains, without the mediation of either production process or circulation process. . . . Interest-bearing capital is the consummate automatic fetish, the self-expanding value, the money-making money, and in this form it no longer bears any trace of its origin. The social relation is consummated as a relation of things (money, commodities) to themselves (Addenda, 1861-1863).

Marx, along with PJ Proudhon, GK Chesterton, Ezra Pound, TS Eliot and many others rejected the modern justifications of usury. Today, this part of their work is totally forgotten while usury remains a verboten topic in academia. For Marx, the notion of a "fetish" is similar to that of a superstition: in this case, it is the belief that money is really organic in that it can reproduce itself in the same way that cats do. That the Medicis financed the revival of pagan alchemy is essential: if all "metals" are all reducible to the same substance, then all things are one. Metals and cats are the same "deep down." "Metals," of course, can also refer to people and alchemy, among other things, referred to remaking and recreating people.

The arguments in favor of usury all seek to make the clean distinction between profitable investment and the sadistic model of the usurer psychotic. Such a caricature, one that Calvin uses to justify the new ruling class, is ridiculous. The mentality that went into the entire practice of institutionalized usury required revolution and a total revision in ontology. An excellent summary of this is described by Zizek (2012). He argues that St. Augustine's condemnation of usury and all associated practices comes from this broader theology. St. Augustine, who was such a profound influence on Luther, saw usury as a product of a deeper and more pervasive evil. This is the notion of "competing economic interests" that lie at the root of fallen, fragmented man.

Secular life is violent and often sublimated into economic or legal spheres. Ultimately, class society leads to the enslavement of one section of the population. The other class, much smaller, needs to hide that reality that their rule is based on economic manipulation (Zizek, 93). The Medici could not openly proclaim their rule, just as today, Goldman-Sachs cannot advocate for a "banker's state." The result is that politics, language and morals became detached from the reality of life. Words became talismans diverting attention from evil and creating a caricature in its place.

It took very little time for "usury" to change its definition radically. It started as a synonym for rentier income and, quickly, became the practice of stealing bread from starving children. Thomas and Luther did not seek to justify usury, but only to make a distinction deriving from colon sense. Unfortunately, this is what the new class needed to hear. Usury then became in this new psychodrama something totally different from what it was in Cicero's thought. "Interest" was fine so long as it was not taken from the poor. The rest is the death of history.

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