IKRAM HAWRAMANI

A SHORT INTRODUCTION TO USURY

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Ikram Hawramani

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1. Historical Overview

The year is 1792 BC in Babylon, Mesopotamia. On this year Hammurabi becomes king of Babylon and declares general debt clemency, forgiveness of all debts owed to the government and high-ranking officials. Records of debt were kept in the Temple on clay tablets. Hammurabi ordered all such tablets destroyed.

Hammurabi was continuing the Babylonian tradition of debt clemency, which was to be continued after him. The succession of new kings were occasions for great festivity for the population, as it meant that the nation's economy would be reborn, with literal debt slaves freed and practical debt slaves, peasants enslaved to various forms of indentured servitude, would be freed from this burden, so that they could begin their lives anew.

The tradition of debt cancellation was continued in Egypt. We find the first records of such cancellations from the 8th century BC in the Rosetta Stone. While the historical record does not clearly explain the motives behind this tradition, a working understanding of usury is sufficient to clarify it. And a working understanding is what Plato's Socrates had.

In the *Republic*, Socrates says that usurers use their money as stings, injecting their "poison" into all who do not resist. They burden Athenians with debt and make them suffer foreclosure. This in turn creates a poverty-ridden subclass that is eager for revolution. Without debt forgiveness, the sociopolitical systems of Babylon and Egypt couldn't have survived for more than a few decades.

The power of the financial technology that we call inflation, in enabling usury while preventing revolution, wasn't recognized in antiquity. The systems of Egypt and Babylon did the next best thing to enable usury while maintaining social order. This debt forgiveness no doubt created resentment among the lender class, but the tyrannical authority of the system's leadership, and the enshrining of debt forgiveness in tradition, enabled those in charge to subdue the lender class.

The Hebrew Bible forbade usury among the Jews entirely. The 1599 AD *Geneva Bible Notes*, written by John Calvin and other Puritan leaders, has this to say on usury:

> Usury or loaning money at interest is strictly forbidden by the Bible, Ex 22:25-27 De 23:19,20 . Even a rate as low as one per cent interest was disallowed, Ne 5:11.[1]

Not only was usury forbidden, but Judaism also enacted debt forgiveness, to be carried out seven years from the date the debt was given, and on every jubilee, that is, every fifty years[2].

The Hebrew Bible offered a loophole, however. Jews could practice usury against non-Jews:

> Deuteronomy 23:19 Thou shalt not lend upon interest to thy brother: interest of money, interest of victuals, interest of any thing that is lent upon interest.

> Deuteronomy 23:20 Unto a foreigner thou mayest lend upon interest; but unto thy brother thou shalt not lend upon interest; that the LORD thy God may bless thee in all that thou puttest thy hand unto, in the land whither thou goest in to possess it.[3]

According to classical Christian thinkers, this legalization of usury against non-Jews was given to the Jews to support their conquest of Canaan (the area of modern day Israel). According David Hawkes in his *Culture of Usury*,

> Usury [in the Old Testament] was an act of murderous hostility, warfare by other means, licensed against the peoples who the Israelites were attempting to destroy, but unthinkable among people who had to live amicably together.

[1] The 1599 AD version of the Geneva Bible, note on Luke 19:23.
[2] The Book of Leviticus, Old Testament, King James Version.
[3] The Hebrew Bible in English according to the JPS 1917 Edition. The verses are also present in the King James Version of the Bible.

The Puritan theologian Robert Bolton states the Church's ancient view on usury:

> And therefore not so much, as the least Usury was lawfull towards a Brother, whether He were poore or rich. If the Scriptures had put such a difference betweene the poore and the rich, as betweene the Israelite and Cananite: To the rich thou maist; but to the poore Thou shalt not lend upon Vsury: Then the case were cleare. But Deut. 23. 19, 20. GOD makes op|position, not betweene the poore and the rich: but betweene an Israelite and Cananite. For by stranger in that Place, is meant the Hittites, the Gergashites, the Amorites, the Cananites, the Perisites, the Hivites and Jebusites, and no other stranger as may be collected, Levit. 25. 35. So al|so doth Saint Ambrose De Tobia, cap. 15. Paulus Fagius Annot. in Cald. Paraphras. in Deut. 23. 20.*Iun. Annot. Ibid. expound it. What these the Jewes were commanded to destroy, Deut. 7. 12. And Usury was as teeth given them, and al|lowed by GOD to eate them up withal…[4]

It is unclear how long this system survived. What we know is that once the Talmud replaced the Hebrew Bible as the primary source for Jewish law sometime between the 5th and the 3rd centuries BC, usury had been made entirely legal, to be practiced both against non-Jews and against fellow Jews.

A few decades after the turn of the Millennium, a man called Jesus appeared. The climax of his career was arguably his "Cleansing" of the Temple, the Wall Street of Judea in those days, where the "money-changers" practiced their trade of usury[5] and various associated activities, calling the place a "den of thieves" and chasing the usurers out of the Temple with a whip.

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[4] *A short and priuate discourse betweene Mr. Bolton and one M.S. concerning vsury*. Published by E.B. by Mr. Boltons owne coppy, p.8, *Early English Books*, The University of Michigan, accessed electronically at https://quod.lib.umich.edu/e/eebo/A16337.0001.001/1:3?rgn=div1;view=fulltext (retrieved January 16, 2018).

[5] Their main crime was exchanging one amount of currency for an unequal amount, profiting by charging a tax on the value of money, and this is simply usury by another name.

Before this act, the Jewish establishment considered Jesus a minor nuisance to be ignored and ridiculed. But once he provoked the wrath of the lender class and the vast power it had gained through usury, he was to be crucified within a week.[6]

Christians continued the tradition of Jesus, considering usury a mortal sin. St. Cyprian of Carthage (c. 200 – 258 AD) says,

> They sought to possess money in hoards, they seized estates by crafty deceits, they increased their gains by multiplying usuries. What do not such as we deserve to suffer for sins of this kind, when even already the divine rebuke has forewarned us, and said, "If they shall forsake my law, and walk not in my judgments; if they shall profane my statutes, and shall not observe my precepts, I will visit their offences with a rod, and their sins with scourges"? [Psalm 88:32]
>
> These things were before declared to us, and predicted.[7]

St. Gregory of Nyssa (c. 335 – c. 395 AD) says,

> If anyone should call the malign contrivances of interest taking *theft* or *homicide*, that person will not be in error, for what does it matter whether one possesses things snatched through a breached wall or things illicit by compelling payment of interest?[8]

St. Ambrose of Milan (c. 340 – 397 AD) says,

> Whatever exceeds the amount owed is usury.[9]

St. Augustine (354 – 430 AD) says,

> If thou hast lent thy money on usury to man, that is, if thou hast given the loan of thy money to one, from whom thou dost expect to receive something more than thou hast given, not in money only, but any thing, whether it be wheat, or

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[6] See Matthew 21:12–17, Mark 11:15–19, Luke 19:45–48) and John 2:13–16.

[7] *Ante-Nicene Christian Library: Translations of the Writings of the Fathers Down to A.D. 325*, Volume 8, Sir James Donaldson, Alexander Roberts, 1868, page 355.

[8] *De Malo* (On Evil) by St. Thomas Aquinas, translated by Richard J. Regan and Brian Davies, 2001, page 737.

[9] St. Ambrose, *De Tobia*, as quoted in *Usury in Christendom.*

> wine, or oil, or whatever else you please, if you expect to receive more than you have given, you are an usurer, and in this particular are not deserving of praise, but of censure.[10]

And also,

> Lend not money at interest. Thou accusest Scripture which saith, He that hath not given his money upon usury. I wrote not this: it went not forth first from my mouth: hear God.[11]

St. Jerome (347 – 420 AD) says,

> Some think there is no usury but in money. This the holy scriptures foresaw, and therefore takes away the increase or gains in any manner of thing, and requires that you receive no more than you gave.[12]

Pope St. Leo the Great (390 – 461 AD) says,

> And hence, whatever result follow, the money-lender's trade is always evil, for it is sin either to lessen or increase the sum, in that if he lose what he lent he is wretched, and if he takes more than he lent he is more wretched still.
>
> The iniquity of money-lending must absolutely be abjured, and the gain which lacks all humanity must be shunned.
>
> A man's possessions are indeed multiplied by these unrighteous and sorry means, but the mind's wealth decays because usury of money is the death of the soul.
>
> For what God thinks of such men the most holy Prophet David makes clear, for when he asks, "*Lord, who shall dwell in your tabernacle, or who shall rest upon your holy hill?*" he receives the Divine utterance in reply, from which he learns that that man attains to eternal rest who among other rules of holy living "*has not given his money upon usury:*" and thus he who gets deceitful gain from lending his money on usury is shown to

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[10] *A Select Library of the Nicene and Post-Nicene Fathers of the Christian Church: St. Augustin: Expositions on the book of Psalms*, 1894 AD, p. 99.

[11] Ibid, p 612.

[12] *The Works of John Jewel, D.D., Bishop of Salisbury*, Volume 7, John Jewel, 1848, p. 74.

> be both an alien from God's tabernacle and an exile from His holy hill, and in seeking to enrich himself by other's losses, he deserves to be punished with eternal neediness.[13]

St. Edward the Confessor, King of England (1003 – 1066 AD) declared in his law against usury:

> Usury is the root of all evil.[14]

St. Anthony of Padua (1195 – 1231 AD) says,

> "The sea" [Psalm 103:25-26] is this world, full of bitterness, great with riches, wide with delights. Wide is the path that leads to death, *but to whom?* Not to the poor of Christ who "enter through the narrow gate". *Rather to grasping usurers, who have already taken the whole world into their hands.*[15]

St. Thomas Aquinas (1225 – 1274 AD) says,

> Lending money at interest is a mortal sin. And it is not a sin because it is prohibited, but rather prohibited because it is as such a sin.[16]

St. Bernardino of Siena (1380 – 1444 AD) says,

> I ask thee before all else, dost thou believe in the law of God? Yes. Next I say to thee, that if thou dost depart from this faith thou art a heretic. God hath commanded that thou shalt not practise usury.[17]

And also,

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[13] *A Select Library of Nicene and Post-Nicene Fathers of the Christian Church: Leo the Great. Gregory the Great*, Philip Schaff, Henry Wace, 1895, page 126.

[14] *Discourses on Various Subjects Relative to the Being and Attributes of God, and His Works in Creation, Providence, and Grace*, Volume 2, Adam Clarke, 1831, page 131. Also, see *Edward the Confessor* by Frank Barlow, 1984.
[15] *The Sermons of Saint Anthony of Padua*, translated by Paul Spilsbury, 1979, online edition (http://www.clerus.org/bibliaclerusonline/en/b24.htm).
[16] *De Malo*, ibid, p. 400.
[17] *Saint Bernardine of Siena. Sermons*, edited by Nazareno Orlandi, translated by Helen Josephine Robins, 1920, p. 172.

> Lending at usury, what thinkest thou that this is? It is theft, and worse besides.[18]

St. Francis Xavier (1506 – 1552 AD) says,

> You will generally find that everything is defiled with usurious contracts, and that those very persons have got together the greater part of their money by sheer rapine, who nevertheless asserted themselves so confidently to be pure from all contagion of unjust gain; having as they said, the true testimony of a conscience that reprehends them in nothing. Indeed, some persons consciences have become so hardened that they have either no sense at all, or very little sense, of the presence of even vast heaps of robberies which they have gathered into their bosom.[19]

St. John Vianney (1786 – 1859 AD) says, in a sermon on lending at interest,

> Listen to what St. Augustine says to those who have money which belongs to others. You can, he tells them, go to Confession, you can perform all the penance you like, you can weep for your sins, but unless you make restitution, whenever you can, God will never pardon you. . . Either give back what is not yours, or you will have to make up your mind to go to Hell.
>
> The Holy Ghost does not stop at merely forbidding us to take and to covet the wealth of our neighbour -- He does not wish us even to consider it or dwell upon it, lest we should want to lay our hands upon it. The prophet Zacharias tells us that the curse of the Lord will remain on the house of the thief until he is destroyed. And I am telling you that wealth acquired by fraud or by cunning will not only be of no profit but it will cause whatever you acquire legitimately to wither away and your days to be shortened.[20]

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[18] Ibid.

[19] *The Life and Letters of St. Francis Xavier*, Volume 2, Henry James Coleridge, 1872, p. 118.

[20] *The Sermons of the Curé of Ars*, translated by Una Morrissy, 1995, pages unnumbered, chapter "How Death Will Reveal Thieves!"

From the Middle Ages onwards, the Christian stance against usury gradually softened. Monarchs and popes started to enjoy the fruits of usury, turning a blind eye on its practice, taxing it, or using it directly to finance their operations. While Jews have been heavily involved in usury up to the present day, there is a myth among some Christians that usury was always a Jewish thing until the past few hundred years. The historical record shows otherwise.

In 1396 Florence, it was only Christians who practiced usury, as no Jews resided there. The state tried to attract Jewish lenders to increase the amount of capital available, but did not succeed until 1437.[21]

Michael Hoffman writes,

> We have heard and read of Catholics sneering at what they revile as "the miserly usury and Judaizing of the city of Amsterdam," with reference to that Protestant citadel from the seventeenth century onward. These same self-righteous critics are silent however, concerning the usury of the city of Florence, which preceded the decay in Amsterdam by two hundred years.
>
> Judaic moneylenders were sometimes used as an alibi for gentile usury "Cosimo's own ambassador to Pope Julius III had heard the pontiff say that he tolerated this rate of interest (ten to twelve percent), the Pisans told the duke, because only in this way could the even higher interest rates of the Jews be avoided."[22]

The Catholic King of England Henry VII's (1457 – 1509 AD) prohibition on usury was overthrown by his semi-Protestant son King Henry VIII in 1545. Henry VIII's son, the Protestant King Edward VI, restored the law of his grandfather and his ancient predecessor St. Edward, in his 1552 *Act Against Usury*, which made usury illegal and usurers outlaws.

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[21] *Usury in Christendom: The Mortal Sin That Was and Now Is Not*, Michael A. Hoffman II, 2013, chapter "Jewish Usury", electronic version.

[22] Ibid., chapter "Jewish Usury", the quote references *Charity and State in Late Renaissance Italy* by Carol B. Menning, 1993, p. 238.

A sign of the rise of usury among Christians is this poem by the Anglican theologian Thomas Rogers (c. 1555 – 1616 AD) lamenting it:

If but a probable suspicious rose
of a man to occupie that filthie trade
he was taken for a devill in the likeness of a man
But goode Lorde, how is the Worlde chaunged?

That which Infidels cannot abide, Gospeller allow,
that which the Jews take onlie of straungers,
and will not take of their owne Countreimen for shame,
that doe Christians take of their dear freindes, and thinke for so doing they deserve greate thankes.[23]

In 1745, Pope Benedict XIV released the encyclical *Vix Pervenit* that, on the face of it, speaks against usury, but in its fine print abolishes 15 centuries of Christian law by establishing a loophole for the usurers, enabling them to practice usury freely as long as they don't charge too much. Today a major portion of the Vatican's operations are financed through the Vatican Bank, formally known as Institute for the Works of Religion, whose 2013 profits from its usurious practices were 86 million euros.[24]

In the New Testament, the Parable of the Talents from the Gospel of Luke (19:12-24) is occasionally brought up as a justification for usury, when it is in fact a powerful attack against it. A bad slave assumes in his mind that his master is a harsh and cold-hearted thief who reaps what he has not sown. The master says to him: "By your own words I will judge you, you worthless slave...", and asks his slave why he has

[23] Quoted in *The Growth of English Industry and Commerce in Modern Times*, vol. 2, William Cunningham, 1907, p. 154.
[24] *Deutsche Welle*, "Vatican bank head to be ousted amid management shake-up", 2014, http://www.dw.com/en/vatican-bank-head-to-be-ousted-amid-management-shake-up/a-17767679 (retrieved January 16, 2018).

not put the master's money in the bank so that he could earn usurious income from it. What the master is saying is that if you think *I am so evil*, that I am a cold-hearted thief, then you might as well put my money in the bank so that I can earn usurious income from it, as an evil and cold-hearted thief would do.

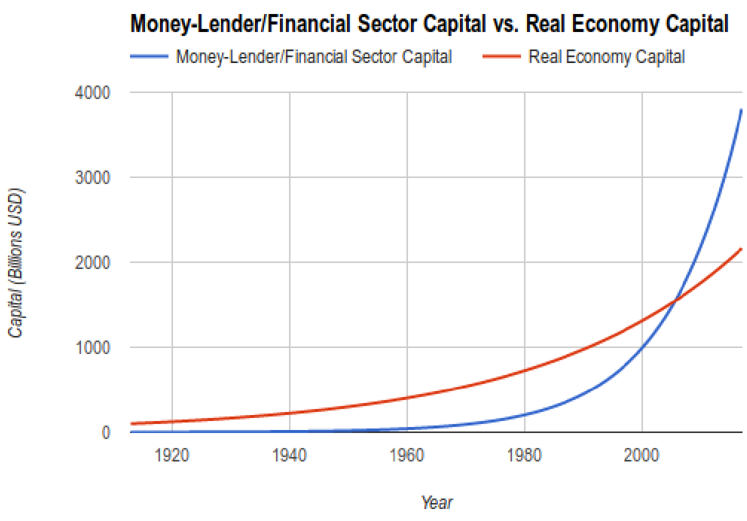
The *1599 Geneva Bible Notes* has the following note on Luke 19:23. The notes were authored by many leaders of the Christian Reformation, such as John Calvin, although this particular note may have been added by a later editor:

> To the bankers and money changers. Usury or loaning money at interest is strictly forbidden by the Bible, Ex 22:25-27 De 23:19,20 . Even a rate as low as one per cent interest was disallowed, Ne 5:11 . This servant had already told two lies. First he said the master was an austere or harsh man. This is a lie for the Lord is merciful and gracious. Next he called his master a thief because he reaped where he did not sow. Finally the master said to him that why did you not add insult to injury and loan the money out at interest so you could call your master a "usurer" too! If the servant had done this, his master would have been responsible for his servant's actions and guilty of usury.

2. How Usury Works

When asked, 'What is to be said of making profit by usury?' Cato replied, 'What is to be said of making profit by murder?'
—Cicero (44 B.C.)

Imagine if in 1913 the "real" economy of the US had $100 billion in capital, while the banks and money-lenders had only $1 billion. Given every day economic circumstances, by 2017, the wealth of the real economy would have grown to $2163 billion (assuming a 3% economic growth rate).[25] Meanwhile, the wealth of the banks and money-lenders during the same period would have grown *from $1 billion to $3806 billion*. Starting at only 1% of the wealth of the real economy, within a little over 100 years, the financial sector grows to 175% the size of the real economy.

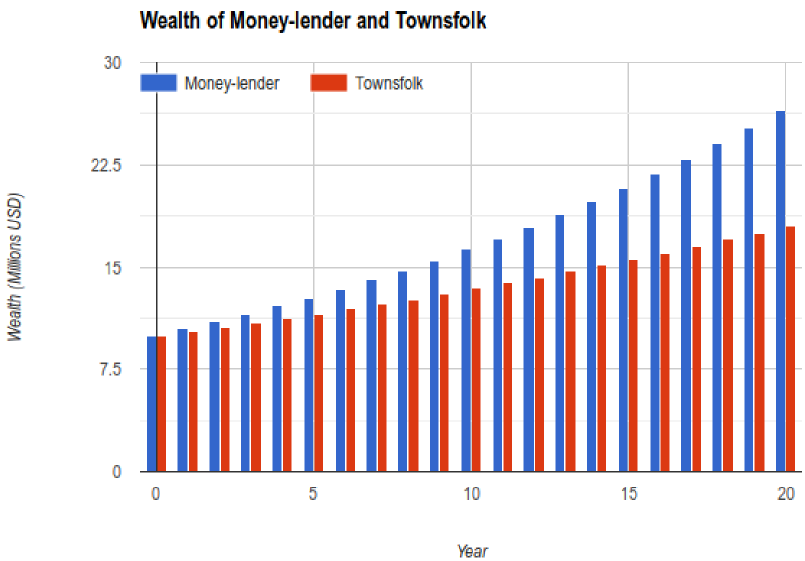


[The chart assumes a relatively low business loan interest rate of 5%, and a high delinquency rate of 6.75% (the highest recorded by the St. Louis Fed between 1987 and

25 Economic growth can be roughly equated with total profits without too much exaggeration. See Gennady Bilych , "Profit and Economic Growth." Business and Economic Research, vol. 2, no. 2 (2012).

2016), and a high (usurer-unfriendly) reserve ratio of 33% (the lower the reserve ratio, the faster the wealth money-lenders grows, as they earn more interest on their capital).]

On a macro scale, usury passes off most risks to the borrower, and most profits to the lender. When a usurer lends money at 5% interest to a town's businesses, some of these businesses will make a profit, and some will make a loss over the year. If the town's economy grows at 3% during the year, it means some businesses made a profit on the money they borrowed, and some made a loss, so that on average there was a profit of 3%. To the usurer, none of this matters. He gets to charge 5%, pretending that the economy grew at 5%, so that after the year passes, he ends up with close to a 5% profit. This gives him an annual profit advantage of 2% over non-usurers. Within just a few years his profits grow so fast that he will afford to buy up more and more of the town's land, housing and businesses, until he gains near-total control of the town's economy, and manages to extract rent and profit from every nook and cranny of it. Below is a chart of this process over 20 years, assuming both the money-lender and the townsfolk have $10 million at the beginning.



To give another example, if you borrow $10,000 at a 5% annual interest rate, you will only have to pay $500 at the end of the year in interest. That's very little if during that year you made $2000 in profit from the money you borrowed, and it is only fair that the person who lent you the money should get something back. Your profit is 20%, while the interest rate is 5%, meaning that you made a net profit of 15%, or $1500, during that year. The usurer who lent you the money is satisfied, and you who borrowed the money are satisfied.

But the problem is that when you borrow this $10,000 at 5% interest, within this transaction is the *embedded assumption* that your prosperity will grow by at least 5% in the next year. This is why Aristotle and many other philosophers and intellectuals call usury "unnatural." The profits of usury are separate from the profits of the real economy in which it exists. It is an assumption made on paper. When usurers lend at 5%, they are maintaining a parallel alternate reality in which the economy grows at 5% in the next year, *regardless* of whether the actual economy grows at 5%. In this way, regardless of whether the rest of the population is making a profit or a loss, they get to have their 5% profit. This 5% profit, manufactured on paper, means that they have a profit advantage over everyone else, but because the economy as a whole never makes 5% profit consistently.

While some borrowers make good use of the money they have borrowed and make more than 5%, so that they can pay off the usurers and still make a profit, others, because of the millions of different chances that operate in the reality of an economy, make a loss on the money they have borrowed.

They may have borrowed $10,000, and a year later they only have $8,000 left, because their business dealing didn't work out as they expected. But the usurer, in his alternate reality, continues to *pretend* not only that the $10,000 still exists, *but that the $10,000 made a 5% profit*. He collects $500 from the borrower at the end of the year, leaving the borrower with $7500 in cash, and a $10,000 debt to pay off. If the borrower continues to be unlucky the next year, he loses another $2,000 of his cash, yet he still has to pay about $500 to the usurer, so now he has $5,000 left in cash, and a $10,000 debt to pay off.

Meanwhile, during these two years, the usurer has earned $1,000 in profit, *without losing any of the $10,000* he gave to the borrower, since the borrower is required to pay it back regardless of his profits or losses.

Usury is a way of earning money by the virtue of having money, while making others carry the burden of any risk that comes out of using the money. It is an amazing deal—for the usurer. For the borrower, sometimes it is a good deal, sometimes it breaks even, and sometimes it results in debt slavery.

A modern form of debt slavery today is student debt. A usurer lends a student $200,000 at, let's say, 5% interest. Within this debt is the assumption that not only will the student be able to use their $200,000 degree to earn that much back over their career, but that they will also make a 5% profit, *every year*, beyond the cost of the degree.

As it happens, some students graduate and succeed in the business world, so that they pay off the loan in 10 or 15 years while enjoying a good, or at least an acceptable, standard of living.

But for many students, this is only something that they can dream of. They borrow tens of thousands of dollars, only to spend the rest of their lives barely being able to make the monthly payments on their loans. And ten years after graduation, due to changing economic, political or technological conditions, their degrees may be worthless, meaning that they racked up $200,000 or more in debt for something completely useless. This $200,000 will hover over them like a dark cloud for the rest of their lives.

Meanwhile, in the parallel reality of usury, the usurer in his or her high tower continues to extract a 5% interest, or $10,000 a year, from the student, with the law enabling them to maintain an alternate reality in which that completely useless degree is actually worth $200,000, and also that that useless degree is enabling the student to earn a 5% yearly profit. The usurer couldn't care less about the student's real circumstances. In effect, he says: *On paper, I see you as having a $200,000 degree that makes you at least a 5% profit every year, therefore you must pay this profit to me or else!*

In 2015, there were 2.8 million Americans over the age of 60 who were still living with student debt. US law, authored by usurers and their lobbyists, prohibits these people from declaring bankruptcy so that they can get rid of this cloud that has been giving them constant stress since their early adulthood. The law forces them to pay it off, and empowers usurers to seize these people's wages and properties to get not only the original $200,000, but an additional $10,000 yearly profit over and above that for *every year* these people have had their debt, which, for a person of 60, means for their entire adult lives. Student debt has turned these people into money-making machines for the usurers.

Usury is about creating an alternate reality in which the economy grows at 5%, or 20%, or whatever the usurers are currently lending their money at, and using the law to force this reality on the population, regardless of the *actual* economy.

In the real economy, each year and each month's profits are different from the previous ones. One year the economy may make a 5% profit, another a 2.5% profit. A war may break out, or natural disaster may strike, causing the economy to make a loss. Political conditions can change. Trade wars, currency speculation and terrorism can severely damage an economy's profits.

But in the blissful alternate reality of the usurer, none of this happens. Each year is full of sunshine and great harvests, and the borrowers will have to subsidize this alternate reality for them.

Usury offers powerful rewards to both lender and borrower. The lender gets to earn a 20% profit (or whatever the interest rate is) over the next year, with minimum risk, a profit they wouldn't be able to make if they instead invested the money in a business. And the borrower gets to have the money *right now* for practically zero immediate cost. Who doesn't want to be given $5000 right now?

The human brain is designed to prefer immediate rewards over future rewards. We would prefer to be given $1500 right now, instead of $3000 five years from now. Even though $3000 is more than $1500, the $1500 is more valuable to us because of its immediacy.

Through a similar process, our brains discount future risk. People prefer to get $400,000 into debt to get a home *right now*, discounting the potential risks of foreclosure and the risks of facing difficulty in making mortgage payments when the next financial crisis hits.

It is this human desire for immediate reward and the discounting of future risk that usurers exploit to enslave people to debt.

And the usurers are also subject to the same forces. The human brain would rather get 20% guaranteed profit over the next year, instead of investing the money into something that may or may not make a profit.

The case of usury is very similar to the case of prostitution, and I am not the first person to make this comparison. A man accepts to have sex with an attractive young woman even though there is a risk of getting a sexually transmitted disease, and even though this act may threaten his family life, his job, and his status in society.

The prostitute, like the usurer, has something highly desirable, and gets to make a profit regardless of the risks. Both the prostitute and the usurer know that they are doing some harm to society, but they do not care, since in the here and now they are making a profit. They do not care that families are being destroyed, that the town decays, that their practices cause suffering to uncountable souls.

Usury, like prostitution, can never die, as it provides powerful rewards to both sides of the transaction, and anyone, anywhere can start practicing either with little effort. The usurer and the prostitute get guaranteed profits, the borrower and the one who sleeps with the prostitute gets to have a powerful, immediate reward.

Self-control, belief in moral ideals and social support are all required to stop one from engaging in either.

Usury rearranges society with usurers at the top, and the peasants at the bottom, and with an upward arrow that continually directs wealth upward, with scraps being thrown down here and there to appease the peasants. The only reason usury exists is because of this upward pointing arrow. A usurer always has two options: To invest in the real economy (and be subject to risk), or to give the money to some fool to take risks with, so that the usurer can continue to extract a profit year after year whether the fool who borrowed the money profits or loses. It is a way of driving a wedge into reality itself; creating two realities, in one of which the usurer always profits, and in the other the borrower is subject to the risks of real economics.

There is no honorable reason to practice usury. As will be explained, there can be finance without usury. Usury is about gaining wealth while making others suffer the risks, so that your wealth can grow faster than the economy allows. It's about creating an alternate reality full of sunshine and good harvests for the 1%, entirely subsidized by the suffering of the rest of the population.

Fractions

Fractional reserve banking allows usurers to not only lend money they have, but *also money they don't have*.

A usurer who has $10,000 is allowed by the law to lend at least $40,000. This is done through a calculation known as a "reserve ratio". A bank that has a reserve ratio of 25% is required to only have 25% of the money it lends. It is not even required to have that money right *now*, just that it should be able to deposit 25% of that loan at some future date at the central bank. This means that if it has $1 million (or thinks it will have $1 million, for example by borrowing from other banks), it can actually lend out $4 million, and extract interest on every single dollar of this imaginary $4 million, even though it really only has $1 million, and perhaps not even that.

Imagine if you were a wealthy citizen with $1 million to invest. You know that there is a good opportunity to make money by spending your $1 million on building a large brand new coffee shop in your town.

The bank on the other side of the road also has $1 million deposited by townsfolk into their personal accounts. They see that you are making a profit, so they want in on the action. Thanks to fractional reserve banking, their $1 million is not like yours. Their money is first class money, while yours is second class. They can spend $2 million to build a bigger and better coffee shop than yours, and another $2 million to pay people to come to their coffee shop, such as by offering free or severely discounted drinks and treats, or they can start a massive advertising campaign to put you out of business. And at the end of the day (or year), they will have only spent $1 million of their own money. The law provides them the other $3 million.

The banking system is arranged in such a way as to double and quadruple the power of usurers in the economy. If a usurer has $1 billion, the law gives them the power of $4 billion.

If you have money in a savings account, or own bonds, or own bank or real estate stocks, then you are a usurer too, since you are earning the proceeds of usury.

But you are a second class usurer. You put $1,000 in your savings account and earn a paltry rate of 1% on your money, which is not even sufficient to keep up with inflation. And the bank, thanks to your $1,000 deposit, is allowed to lend out $4,000 to others, but the bank does it at 5% or 15%, interest. In one year, you earn $10. The bank earns $200 if they lent out your money at 5%, for example as a mortgage, or $600, if they lent it out at 15% in a credit line that powers someone's credit card.

As a second class usurer, you make $10 from your money. The big boys at the bank (meaning its first-class usurer owners and executives) earn anything from $200 to 600 during the same time, giving you the $10, and keeping from $190 to $590 for themselves.

By making the whole population engage in usury one way or another, usurers are harder to target, since if you attack them, they can always point the finger at you and say you are a usurer too.

War is Peace

For some strange reason, even as the standards of living of most of the US population has fallen, even as hundreds of thousands of citizens are homeless, the country is able to spend trillions on completely unnecessary overseas wars.

According to the CEO of the Chinese retail giant Alibaba, the US has spent $14 trillion on war over the past 30 years. A war for whose benefit? And where does all this money come from?

It is usury that enables war. Through issuing bonds, the government borrows money from usurers and uses it to buy expensive war equipment from usurer-owned corporations. On the other side of the ocean, the usurers will be ready and waiting to lend their trillions toward rebuilding the country we bombed into oblivion.

Usury, by distributing the costs of war over decades, has enabled monarchs, dictators and presidents to wage unnecessary wars without suffering the consequences of their actions, and without their respective populations opposing them. Those in charge of the country only have to pay the interest on what they borrow, rather than having to pay the whole thing back, in this way the consequences are passed off to the next administration, who borrow money and pass off the consequences to yet the next administration. The US government has amassed $19 trillion in debt so far, the latter $9 trillion of it during Barack Obama's presidency alone. Few Americans oppose this obscene accumulation of debt because the effects of this debt are subtle and distributed over the years. The US government paid $223 billion as interest to usurers in 2015. That interest slowly goes up, showing up as reduced services, higher prices, and higher taxes on the average citizen.

The bond system is a double cash-cow for the usurers subsidized by the population: the government borrows money from the usurers and pays them interest on it, then uses the money to buy things from the usurers, helping them make billions in profits, and the people who end up holding the bills are the taxpayers who had to pay $223 billion dollars to the usurers as interest on money the government borrowed from them so it could buy things from them.

Who are the Usurers?

Usurers are bank owners and executives. Billionaires. The 1%. Hedge fund managers. Stock investors. Venture capitalists. Not all of them are equally responsible for the present financial system. And it is probable that you have never heard of the most wealthy and powerful usurers, since the Western system enables them to hide their wealth behind hundreds of private companies and foundations.

Credit Cards and Mortgages

When you spend $1000 on your credit card, it is at that exact moment that you give the bank the power to create $1000 out of thin air, which is then required to send $250 (or some other small amount) to the central bank to "back the loan". You have enabled the bank to have $750 *that it didn't have before*, and, through paying interest to the bank on the entire $1000, you add to its wealth and power.

Taking out a $500,000 mortgage gives the bank the power to create $375,000 out of thin air and earn interest on it, while investing only $125,000 of its own money (actually other people's money, since the bank often uses people's deposits to "back" the loan).

Mortgages are so well-embedded into the fabric of our society that no one thinks to question the validity of the concept.

In a mortgage, the usurer doesn't give you a house and let you slowly pay off its price. In a mortgage, a usurer lends you money, uses this money to buy a house (which he himself will own), and then charges you interest as you slowly pay off the loan. The usurer pretends to give you a house, while in reality he is subjecting you to a dangerous debt burden while keeping the house for himself.

If everything goes perfectly, you will pay off the loan and end up owning the house. The problem is that things don't always go perfectly, as anyone who has been subject to a mortgage knows. You may be perfectly capable of making a $1500 monthly mortgage payment on an overpriced house you bought during a financial bubble, but once the bubble bursts, you can lose your job and find yourself unable to continue making the mortgage payments. What happens then? The usurer takes back the house (through foreclosure). But that's just the beginning. If your house was bought at $400,000, now that the bubble has burst, it may sell for $200,000. The usurer, besides taking back the house, will also come after you for the $200,000 difference between the price of the house when it was bought for you, and the current price of the house.

They kick you out of your house, and *then* have the audacity to pretend that you owe them $200,000. Like most people, thanks to usurer owned and controlled media, you may have never heard that there can be a fair alternative to this. When the 2008 financial bubble burst, there were about 2.5 million foreclosures on private homes that year. The annual number rose above 3 million in 2009 and 2010. It only came back to 1 million foreclosures per year in 2016.

Many of these foreclosures happened to families who in 2005 and 2006 thought they were getting a house, but instead lost the house, and ended up with debt burdens of $100,000 or more. Even though month after month and year after they made payments, when the crisis hit, the usurers took their homes, and then went after them for hundreds of thousands of dollars more.

Usurers and their pundits pretend that this is all fair and just. If you focus on an individual case, where someone successfully pays off a mortgage and ends up with a house, things may not seem so bad. But when you look at the big picture, you will see what a fraud it is. Usurers burden millions of families with debt, using houses to attract them into the trap. Once the bubble bursts, the families can't continue to make payments, so the usurers takes back the houses, ask the families each to pay $100,000 or more, and a year or two later use the exact same houses to entrap a new batch of families.

In a mortgage, the usurer *risks nearly nothing*, and has everything to gain if things go badly. As for the buyer, they have everything to lose, unless things go perfectly.

A usurer, instead of investing their wealth in the actual economy and exposing themselves to the risks of doing business, lend their money to someone else to take risks with, and they themselves get guaranteed profits year after year, whether the borrowers profit or lose.

Universities and Usurers

Student loans came about when usurers decided they needed new ways of extracting interest from the population. In the case of a home mortgage, the usurer buys the home, then "mortgages" it to you, reserving the right to take the home back if you default on the mortgage loan.

In the case of student loans, there is nothing physical to mortgage, the usurer can't take anything back like he or she can in the case of a home loan. So what they do is mortgage your future.

They sell you a supposedly better future in the form of a university degree. And through the law, they ensure that you cannot get rid of the debt through bankruptcy. *What they will get back if you can't pay off the loan is your future. Your tax returns, your wages, your inheritance, your property, until the day you die.*

It is in the interest of both usurers and universities that these loans be as large as possible, since the usurer gets to earn more interest, and the university gets more revenue. And the youth and future of our nation are the tools who put it all together for them. Universities keep raising tuition rates, giving university executives vast wage increases (while instructors are treated like minimum-wage workers), and through vast amounts of wasteful spending (building stadiums, ordering millions of dollars' worth of computers when the ones they have are already good enough), they channel billions of dollars to their friends in the business world.

Credit Unions

After the financial crisis of 2008, the banking sector attracted the unwanted attention of the general public, and some people tried to fight back by moving away from banks and using credit unions instead.

Credit unions are banks that are owned and run by its members. By taking your business away from banks and giving it to your local credit union, you are taking your business away from Wall Street's usurers and giving it to your local usurers. It is still usury, and it carries all the evils of usury that have been covered so far. Just because the usurious profits go to your local usurer doesn't make it better.

Credit unions practice fractional reserve lending similar to banks, and collect steady profits in their parallel usurer reality regardless of economic conditions. They are a slightly lesser evil in that they do not engage in as much risky, speculative investing as large banks commonly engage in, so that they are less likely to fail. While they are less harmful than banks, they are still vehicles for usury and have largely the same negative influence on society as banks.

Insurance

Insurance has a curious affinity with usury, and generally the same people involved with usury are also involved with insurance. In

Europe, insurance used to be considered a shameful and degrading trade, similar to usury. It is only usury and insurance that both continue to make obscenely high profits year after year regardless of economic conditions. Insurance and usury are generally lumped together into what is known as the FIRE sector (finance, insurance and real estate), and it is generally referred to as "finance", a rebranding of "usury".

Insurance is a form of gambling, as used to be commonly recognized during the Regency era and earlier times. Every month, you bet $50 that your car will have an accident. The insurance company bets $2000 that you will not have an accident. 99% of the time you lose your bet, while 1% of the time the insurance company loses their bet. This means that if you have an accident every 100 months, during those 100 months you pay $5000 for your insurance coverage, while the insurance company spends $2000 covering the costs of your accidents, leaving $3000 in profit for the insurance company.

The country's largest insurance companies post billion dollar profits every year. The largest insurance companies, such as Germany's Allianz, have treasure hoards that approach a trillion dollars in worth.

In a fair world, an insurance company wouldn't make a profit. It would only make enough to continue providing its services. Anything it makes beyond this is exactly similar to usury income, income that is gained not from the real economy, but from an artificial, parallel reality where the insurance company pretends that the risk it suffers from offering its services is greater than it really is, which is exactly a usurer's defense for practicing usury, that they put their money at risk.

Insurance companies extract rent from the entire economy, through home insurance, car insurance, health insurance, life insurance and various forms of business insurance. By extracting this rent, they reduce everyone's purchasing power (and thus their standard of living), transferring wealth from the population to the 1% without offering any added value. The whole reason insurance companies make profits, what is known as their margins, is that on paper they pretend to be subject to more risk than they really are; it is again the alternate reality business of usury.

Imagine if you have no money, but you make the people of your town all insure their cars with you. 10,000 people each pay you $50 a month, amounting to $500,000 a month. Each month, 100 people have accidents, each costing $2000 to deal with, so that you spend $200,000 each month covering accidents. That leaves you $300,000 a month. Let's say you spend $100,000 a month paying the salaries and rents involved in running your business, leaving you with $200,000 net profit each month.

In one year you make $2.4 million in profits *without investing any of your own money*. And you earn it all not by doing anything productive, but by taking money from one group of people, keeping a large share for yourself, and giving a little of it to another group of people. You are acting as a middleman that takes in $500,000 every month, keeps $200,000 for himself or herself, and spends $300,000 for the service they offer. This $200,000 you earn is simply a tax taken from the people of the town, without offering anything in return.

In theory, other insurance companies would pop up who would compete with you, so that your profits decrease until only the minimum profit is earned sufficient to continue the business.

In reality, insurance companies have the wealth and power destroy all competition and continue overcharging for their services. The large insurance companies watch each other, and all together hold prices steady instead of competing.

If some brand new company comes in to challenge the established companies, these other companies will quickly drop their prices below that of the challenging company. They can afford to do this since they have vast quantities of cash. And once the challenger is out of business, they raise their prices again.

They also offer various incentives to businesses to use their services instead of the services of challenging companies. Doctors are added to an insurance company's network and in this way the doctors receive a guaranteed group of patients who use their services. Patients are forced to use the services of particular insurance companies who have the widest doctor networks. Challenging companies would face an extremely steep challenge of having to attract thousands of doctors toward joining their networks. In this way the health insurance game is limited to only a few major national players, all owned and funded by usurers. Each industry has its own specific forms of legal anti-competitive practices that insurance companies use to prevent competition and thus force everyone to use their highly overpriced services.

And it doesn't stop there. Insurance companies, since they make so much profit, end up being some of the biggest usurers in every country, lending their money at interest to everyone else and gaining unnatural profits through ordinary usury.

Bubbles

An economic bubble (also known as an asset price bubble) is where the prices of stocks or houses (and various other investments) increase to obscenely high levels as wealthy usurers speculate on their future prices. It is not only usurers who speculate, but since they are by far the wealthiest players in the economy, it is they who are responsible for bubbles more than anyone else.

The principle that drives bubbles is the Greater Fool principle. Someone buys an overpriced house, or shares in a company, with the assumption that a month or year down the road, someone else (a greater fool) will be found who will pay even a higher price. The usurers who drive bubbles already know that the things they are buying are highly overpriced, that in some cases they are paying double price for a house or a company's shares. But they do not care, because they know (or assume) that prices will continue going up, so that at one point, they will be able to sell the house or stocks for a profit.

Between 1923 and 1929, the US Federal Reserve increased the US money supply by 62% (through printing money), and made it available to other usurers to borrow at very low rates. The usurers in turn used this cheap money to buy stocks. And the media, which was starting to be bought by usurers, launched an all-out propaganda campaign to convince people to buy stocks on the premise of overnight riches. We all know how that ended. The first-class usurers were able to sell their overpriced stocks to average-Joe second-class usurers just before the depression hit, making large profits, and once the music stopped, it was the average American who was left holding the bill.

Let's assume there is a stock market where no bubble is currently in force. A very wealthy usurer (or a large coalition of usurers and banks) comes and starts buying stocks left and right. This increase in demand rises stock prices, and if it continues, other investors start to think that prices will continue rising, so that they too start buying stocks at high prices. At some point years later, the usurer stops buying stocks, as he or she realizes that prices have reached the highest they could possibly reach (sometimes double their fair price). But the snowball effect continues driving up prices, with the media (that is owned largely be usurers and their friends) intentionally hyping up stocks to attract more people to stock buying.

As the average-Joe greater-fool investors continue buying overpriced stocks, the usurer starts selling his or her stocks to these investors who think that prices will continue rising. Once all the usurers have sold their stocks at huge profits, the snowball effect slows down, and within six months to a year, comes to a stop. Average-Joe investors are caught like the Emperor With No Clothes. Fear spreads quickly throughout the economy as optimism fades and people start selling very quickly to reduce their losses while they can, and this is what is called a stock market crash, as happened in 1929, 2001 and 2008.

Once prices reach rock-bottom (often half their fair price), the usurers re-emerge, buying everything up at fire-sale prices. And the process starts again, with prices going up, usurers and their media driving prices to the stratosphere, selling them before the crash to the average fool, waiting until the crash is in force to buy it from the average fool at heavily discounted prices.

The same thing is done in the housing market. As the market crashes (as in 2008), the usurers start buying houses at $100,000 that used to sell for $400,000 just a year earlier. And as they buy everything they can, prices go up. The usurers hold on to the houses until prices reach $400,000 again, and then sell everything. The market crashes again, with houses going back to $100,000, when they buy them up again. Each time this repeats (generally it takes 8 years to create a bubble and burst it), the usurers make a $300,000 profit on a $100,000 investment (that is often not their own money but taken from people's bank deposits and quadrupled through fractional reserves).

In other words, if you have $25,000 in the bank in your savings account, its usurer owners can use that to buy a $100,000 house and sell it for $400,000 a few years later. Imagine if you have a friend who does this with your money, you give him $25,000 and he makes $375,000 profit on it every 8 years while giving you $500 a year in interest. Wouldn't you buy the world's greatest fool if you do not catch on to this? Yet this is exactly what the banks are doing with everyone's money, making a killing out of the population's ignorance and shortsightedness.

Futures

A "futures contract" ("futures", not "future") is a contract where two parties agree to buy something in the future at a price that is determined now. For example you can agree with someone to buy a ton of wheat next year at a price you determine now. Whether the prices goes up or down next year, that person is obliged to sell you that ton of wheat for the price you determined.

Futures contracts are used by businesses as insurance against risk. A lithium-ion battery manufacturer may get into a contract to buy lithium next year at a price determined this year, so that if next year prices go up, the business can continue buying it at this years' prices. If prices go down, however, the business will still have to buy it at this year's price, making a loss.

Wealthy usurers use the futures market to speculate on the future prices of various commodities, sometimes making great profits, sometimes making losses. In a fair market, the profits and losses will counterbalance one another. But the plot should be familiar by now, the futures market is anything but fair. As is usual, usurers are first-class gamblers, and ordinary businesses and individuals are second-class.

Due to the vast amounts of money that go into the futures market, this alternate reality market has come to dominate the actual market. These days the prices of things like wheat, coffee and oil are not determined, in the short term by supply and demand. They are determined by usurer bets. If a lot of usurers bet that the price of oil will go up in the next 3 months, the price of oil *will* go up regardless of actual economic and political conditions.

Usurer lobbyists at various institutes claim that futures contracts help stabilize the economy. Their examples for how this works goes as follows: if forecasters expect a shortage of wheat next year, and if usurers in turn bet on wheat prices rising, which in turn rises wheat prices *this year* in expectation of next year's price rise, farmers will be more likely to invest more into planting wheat, and they will find it easier to borrow money to finance their operations. The higher a commodity's price is, the higher the profit will be in producing it, so that more people are driven to produce it.

But, in reality, below is an example of how the futures market actually affects the economy when certain actors are vastly more powerful than others (and usurers, of course, are always far more powerful than others). From Wikipedia:

> In the fall of 1955, Siegel and Kosuga [two typical wealthy usurers] bought enough onions and onion futures so that they

> controlled 98 percent of the available onions in Chicago. Millions of pounds (thousands of tonnes) of onions were shipped to Chicago to cover their purchases. By late 1955, they had stored 30,000,000 pounds (14,000,000 kg) of onions in Chicago. They soon changed course and convinced onion growers to begin purchasing their inventory by threatening to flood the market with onions if they did not. Seigel and Kosuga told the growers that they would hold the rest of their inventory in order to support the price of onions.
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> As the growers began buying onions, Siegel and Kosuga purchased short positions on a large amount of onion contracts. They also arranged to have their stores of onions reconditioned because they had started to spoil. They shipped them outside of Chicago to have them cleaned and then repackaged and re-shipped back to Chicago. The new shipments of onions caused many futures traders to think that there was an excess of onions and further drove down onion prices in Chicago. By the end of the onion season in March 1956, Siegel and Kosuga had flooded the markets with their onions and driven the price of 50 pounds (23 kg) of onions down to 10 cents a bag. In August 1955, the same quantity of onions had been priced at $2.75 a bag. So many onions were shipped to Chicago in order to depress prices that there were onion shortages in other parts of the United States.
>
> Siegel and Kosuga made millions of dollars on the transaction due to their short position on onion futures. At one point, however, 50 pounds (23 kg) of onions were selling in Chicago for less than the bags that held them. This drove many onion farmers into bankruptcy. A public outcry ensued among onion farmers who were left with large amounts of worthless inventory. Many of the farmers had to pay to dispose of the large amounts of onions that they had purchased and grown.

In response to the inhumanity of these two usurers, Congress passed the Onion Futures Act in 1958 which completely prohibited futures contracts relating to onions. After the act, instead of onion prices becoming *more volatile* as usurer economists claimed they would, the 1960's saw the most stable onion prices since the mid 1940's, when usurers started trading onion futures contracts on the Chicago Mercantile Exchange (the main US market for futures contracts, usually shortened to COMEX or CME).

The above example is one case where usurers were caught red-handed, but when it comes to every commodity besides onions, their gambling with the economy continues unabated. Today, futures contracts have become entirely embedded into the US economy, and the main usurer vehicles, the big banks, are highly involved in it. It has become nearly impossible to catch anyone manipulating the market, since usurers own most of our politicians, most of our economists, and most of our media. And since their actions are done through so many different and seemingly unrelated companies, an honest critique of the system cannot be had.

Today, banks like Goldman Sachs (who are famous for paying $250,000 to politicians like Hillary Clinton for a single speech, which is how today's classy usurers legally bribe politicians [the other way is to donate money to "charitable foundations" owned by politicians]) make billions off of the futures market, and not a year seems to pass except they are fined hundreds of millions of dollars for manipulating the market. These fines are nothing but slaps on the wrist for them, since their profits from their market manipulation activities are much greater, so that they think of these fines as nothing but annual taxes on their operations. They make billions out of manipulating the market *every year* and pay a few hundred million in fines *every year* to the government and no one thinks to put a stop to this.

The same way that usurers extract rent from the entire economy through interest and insurance, they extract rent using the futures market through forcing prices to go one way or another. Sometimes they make losses, but most of the time they make profits. And second-class usurers and gamblers, that is, ordinary citizens and businesses, are left holding the bill.

If you are a usurer with billions at hand, and you want to make a profit on the price of coffee, you get your son-in-law to start a coffee production company that quietly spends hundreds of millions of dollars building new farms in Africa or Latin America. In a few years their product will be ready to hit the market. And just before that happens, you bet a few billion dollars that the price of coffee will go down. As your son-in-law's coffee comes to market, prices will go down, since there is increased supply. In this way you may make a 20% profit over the billions you spent, while your son-in-law may take a 5% loss due to having to sell the coffee at a low price. Your family, as a whole, makes a 15% profit. And you don't take a second to think about all the other farmers that will go out of business due to this artificially increased coffee supply.

Next, you direct your son-in-law to close shop, or significantly reduce production, while you bet that coffee prices will go up. And as expected, the reduced amount of coffee next year increases prices, and in this way you make a few billion more, and your son-in-law loses a few hundred million. The family, as a whole, makes a large profit.

Meanwhile, you donate $500 million to your favorite university, hospital, or museum, and the media celebrates you as a saint, and a few prestigious universities will grant you honorary PhD's. You may even be selected as a board member of the American Orphans Fund after you donate $5 million of the billions you earned by making others suffer.

Another example is the usurers (banks and hedge funds) betting that the price of oil will go down in the next year. Since they can afford the cleverest researchers and, thanks to various forms of bribery, have privileged access to various governments' policymakers, they know that this will happen. Meanwhile, the media they own starts churning out articles about how the unstable situation in the Middle East is going to drive prices up over the next year. The usurers themselves may "leak" documents, real or fake, to the media that suggest there is a danger to the world's oil supply. In this way an atmosphere of fear can be created where second-class usurers and gamblers start to believe that oil prices will go up, so that they bet on that. Next year, when oil prices do go *down* as the usurers knew it would (or arranged for it to happen), they make billions on their bets, just as the second-class usurers and gamblers lose billions.

A futures market can only be fair if the actors in it do not have the power to directly affect prices in the real economy. But this is a naive assumption, as anyone familiar with the market knows. In reality, there is no way to have a fair futures market, because some people will *always* have the power to affect prices, and to bet on those prices, so that they make a profit while those below them take a loss. In a futures market, first-class usurers gain most of the profits, and second-class usurers suffer most of the losses.

The futures market is simply yet another outlet for the usurer's goal in life; to gain profit while passing off the costs to the rest of society.

Futures contracts offer a service, similar to usurious lending and for-profit insurance, and it is this service that usurers use, like a Trojan horse, to justify it. Farmers, for example, need a way to protect themselves from the annual fluctuations in the prices of the things they grow. But instead of using usurious futures contracts, they could use a non-profit cooperative insurance scheme where the co-op agrees to buy the product at a pre-determined price, and the farmer agrees to sell it at the pre-determined price. In some years, the coop will be buying the product for more than it really is worth, and in other years it will be buying it for less. In this way losses and profits are equally distributed between both parties. And since the coop is owned by the farmers, once it accumulates enough funds to operate successfully, all additional profits will be returned to the farmers themselves.

Since the co-op is owned by the farmers, all incentive for market manipulation is removed. Usurers at a futures market have *everything to gain from manipulating prices*. But a coop has nothing to gain, since it is not operated by a usurer class trying to cheat others out of their money, it is operated by the farmers themselves. By putting the farmers at both sides of the equation, a cooperative futures contract removes the gambling out of the equation. What is left is the useful service that usurers use to justify their gambling and price manipulation. The evil is kicked out of the system so that only the good remains.

Inflation

Inflation refers to the debasement of the purchasing power of a currency. If the annual inflation rate is 2%, it means every year, a dollar buys 2% less of the goods and services that could be bought with it the year before.

In 1980, $100 US dollars could buy as much goods and services as $291 US dollars in 2017. To put it another way, if you earn $30 dollars an hour today, and your father used to earned $10 an hour in 1980, you are exactly earning the same amount as he used to earn.

Inflation happens mainly due to the government and the banks manufacturing money out of thin air, the government through its central bank, the other banks through fractional reserve banking (which allows them to create 3 dollars out of thin air for every dollar deposited with them).

The government has the power to print $1 trillion if it wants to. This is *not* new wealth that is created. By printing $1 trillion, this reduces the wealth of the rest of the nation (and every other nation that holds dollars) by $1 trillion. Assuming there are $100 trillion dollars in circulation, if the government prints an extra $1 trillion, then the goods and services that could previously be bought for $100 trillion would now take $101 trillion.

Imagine if a nation used gold coins as currency, and the government suddenly started offering coins made of cement, and expected people to treat them the same as gold, and threatened them with the force of the police and the army to accept the cement coins. Would people be happy with such an arrangement? Of course not. But that is exactly the state of our currency.

Currency debasement is nothing new. The Roman Empire continually debased its coins by reducing the amount of silver contained in them, as a way for the government to pay off its debts.

And one British pound sterling of 1751 had the same worth as 204 British pounds in 2017.

Governments have an immense incentive to print money, since it is a way of taxing the population without angering them, since it is subtle and out of sight. Who cares if their $50,000 annual salary today is worth $49,000 next year? On paper, it is still $50,000, so the person doesn't feel that their salary has decreased, that the government has given itself the right to take $1000 that year from their salary by printing money and devaluing the currency. All that they feel is that their rent goes up by a slight amount, perhaps by $25, and that a bar of butter costs 5 cents more than last year, while their salary apparently remains the same.

Because usurers profit at a higher rate compared to the rest of the economy, more and more currency ends up in their hands, and less and less remains in the hands of the people. Very soon, so little money remains that the economy starts to collapse. Companies can't pay their employees, because people don't have the money to buy the products and services the company offers. People start bartering goods, as they can no longer afford to hold any cash at all. This state of things is called "deflation" (the opposite of inflation), and modern usurer economics treats it as a highly dangerous thing, because it puts the lives of usurers in danger. Almost every peasant uprising that has happened in Europe since ancient times has been due to this, and sometimes usurers have found themselves at the wrong end of a pitchfork.

Through the printing of money, the economic system continues to function. All that the people feel is that they are less prosperous than their parents. We wonder how our grandparents in the 1950's used to earn a middle class living on a single minimum-wage job, when today both heads of a household are forced to work and even they can barely make ends meet.

It is not only Americans who suffer from the government's money printing. First, as a rule, if there is usury, *there has to be* money-printing, otherwise the economic system breaks down. Whenever you have a class of usurers who continually make profits regardless of whether ordinary people profit or lose, they will continue to gain a larger and larger hoard of cash, until no cash is left for the functioning of the economy. The usurers live like kings while the peasants are reduced to starvation.

Through forcing the rest of the world to use dollars to "settle trades", all other nations in the world are forced to give up some of their wealth in order to acquire dollars, so that they can trade with *other* nations. The main way the US enforces this is through the petrodollar system; the Saudi government refuses to sell its oil for anything except US dollars and gets US military protection in return. Anyone who wants to buy oil from them must first acquire dollars, for example by selling their own goods and services for dollars. Since oil is such an important part of the world economy, the petrodollar system has created a globally inter-dependent network where everyone has to trade everything they have for US dollars, otherwise they cannot buy oil.

By acquiring and holding dollars, the wealth of these foreign nations, too, is exposed to the full force of the US government's money printing. Here is an example: they may give up extremely valuable pieces of land in their own countries to US companies so that they can raise $10 billion that they can use for international trade. As the US government prints money, this $10 billion that they have been forced to acquire will be worth $9.8 billion next year, meaning that the US government took $200 million from them. On paper they still have $10 billion, but it is now actually only worth $9.8 billion.

The Roman Empire used to extract tribute from the nations it controlled, forcing them to send a certain amount of copper, grain or other valuable commodity to Rome every year. And if a nation wanted freedom from this form of economic slavery, the Roman army would be there to teach them the error of their ways.

Americans wonder why some overseas nations hate them. They do not hate you for your freedoms. They hate you because your government is doing exactly what the Roman Empire used to do, forcing them to pay tribute to Washington through forcing them to hold dollars. Any nation that dares to stand up to this dollar slavery is met with the full force of the US military. Can you list a few nations that dared to suggest escaping dollar slavery? I will: Iraq, Libya, Syria, Iran and Russia. Iraq and Libya were turned to rubble by the US military. The CIA created and funded various so-called "moderate" terrorist groups in Syria who turned that country into a warzone. Hillary Clinton boasted of how they killed Libya's leader Ghaddafi: "We came, we saw, he died." And the US media is constantly beating the drums of war against Iran and Russia. The US military is always there to ensure that no country dares to leave the system.

By forcing other countries to hold dollars, the US extracts billions of dollars from these economies *every year* and ensures that it always has the upper hand over them in all economics dealings, since it can create dollars out of thin air and *use it to buy whatever it wants from them*. It is similar to using your own printer to print Jimmy-dollars at home then forcing your neighbors to accept it at gun point to sell you things. Since it is the "greatest nation" of the world doing it, it gets away with it while pretending to be infinitely morally superior to everyone else.

Usurer economists have managed to perpetuate the myth that inflation is good for the economy. They use something called the Phillips curve (and various other constructs) to claim that there is an inverse relationship between inflation and unemployment (i.e. more inflation equals less unemployment).

The original meaning of the Phillips curve, as described in William Phillips' 1958 paper *The Relation between Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1861-1957*, shows that an *increase in wages* (known as wage inflation) leads to a reduction in unemployment. It says nothing about the type of inflation that usurer economists talk about today, the increase of the prices of everyday goods through money printing.

Note that it is not only the US government that can print money (and the actual printing, known as quantitative easing, is done through a complicated multi-step process). All first-class usurers can print money through fractional reserve banking. When you have $1000 in your bank account, you give the bank the power to print an additional $3000, which helps keep the economy functioning, as it is lent to other people to use. And since it is lent at interest, it helps usurers maintain near total control over the US economy, extracting profits from it left and right. The nation slowly, gradually, becomes poorer and poorer, while the 1% continue to become richer and richer.

Money-printing is a protective buffer for usurers. It is used to control the rate at which the nation is cheated out of its wealth, so that it is never so much that an actual uprising can happen that would endanger the usurers. The draining of the nation is maintained at exactly the rate that extracts maximum blood from the host nation while keeping it alive.

There is no simple fix for money-printing. The government cannot stop it, because the economy cannot function without it. An economy that is infested with usurers cannot function for more than a few years without printing money.

The root of the evil is usury, as it prevents wealth-recycling (something I will describe in a future chapter), constantly funneling the nations' wealth into the coffers of the usurers and draining the economy until it breaks down. If usury is prohibited (including government bond issuance), then the government will be forced to keep costs low (as it will have only taxes and "Socratic" loans to fund itself that I will talk about), and in this way the budget can be balanced without the need to print money.

A fun fact is that usurers are so in charge of our government that our government can't actually print money directly. The only way for it to print money is to create bonds, which it "sells" to the usurers, meaning that our friendly first-class usurers *charge interest* on every dollar our government *prints*. This is why otherwise kindly people make an exception for bankers when talking about who deserves forgiveness and who deserves to burn in hell for eternity.

Some people talk about a "gold standard" as a way of solving the problem of inflation. A gold standard would mean that the dollar would be "backed" by gold, so that a certain quantity of dollars would be interchangeable for a certain quantity of gold, as the US dollar used to be. A US dollar, for example, could represent 0.0252 grams of gold, and any US citizen would be able to take a certain amount of dollars to a government bank and get a certain amount of gold back.

But as has been described, a usurer-controlled economy cannot function without money-printing, so that a gold standard cannot be applied without crashing the economy. The problem of usury *has* to be fixed first. And once the problem of usury has been solved, a gold standard can be enforced. But even then, it is not actually necessary. As long as the government doesn't print money, and as long as people continue using dollars, then the dollar itself would act similar to gold. As Adam Smith, the founder of modern economics, says in his 1776 book *Wealth of Nations*, gold has no special value of its own, its only value comes from its rarity. A dollar currency not backed by gold, but that is not being watered down through inflation, can function just as well as gold as a currency.

Privately, we should all trust gold more than the dollar, until our corrupt, wasteful and dysfunctional system is properly fixed.

Technological Deflation

Technological deflation refers to the fact that technology reduces the prices of many things by making farming, industry and manufacturing produce more of what we need at a lower cost as time passes.

If, thanks to new farming equipment or automation, a farmer can hire ten fewer people next year, the wages of those 10 people would go to himself as profit. He will be able to sell his produce for cheaper, and still make the same profit as last year. Other farmers would also adopt the new technology and offer their produce for cheaper. And as they compete for buyers, the price of their produce goes down to the lowest they can sell it at and still make a profit.

This is a simple matter of supply and demand. As suppliers can produce more goods and services at lower costs, their output increases, so that the price of the output decreases, enabling the population to afford more of their goods and services.

Our economic state would be much worse if technology wasn't advancing so fast. Technology has hidden the true costs of inflation and usury, so that just as we have continued to become poorer through inflation and usury, technology has continued to make things cheaper, so that we do not strongly feel the costs of our lost prosperity.

Usury and inflation suck up almost the entirety of the progress made through technology, so that instead of life becoming easier for the average American, instead of us having to do less work, life has continued to become harder, and we've had to take on second and third jobs just to make ends meet, while the wealth of the 1% has continued to skyrocket.

Without inflation and usury, the things today we buy for $100 from a grocery store could have cost as little as $10, so that a much smaller part of our wages would have gone toward groceries, or rent, or anything else, meaning we would be much wealthier doing average or even minimum-wage jobs. Instead of earning $2000 and spending nearly all of it on rent and groceries, you'd be earning $2000 and spending less than $1000 for everything you need, leaving $1000 for your own use.

An example of technological deflation is the price of wheat, which has decreased by 2.5% *every single year* since 1910, on an inflation-adjusted basis. Another example is the price of sugar, which has decreased by 3% every year since 1960, on an inflation-adjusted basis.

Americans spend about $500 billion a year on groceries. If technology reduces grocery prices by 2% a year, that means next year they would need to spend $490 billion. But due to usury and inflation, prices actually go *up* year after year. The US inflation rate was 2% in 2016, meaning that Americans would actually have to pay $510 billion for groceries compared to the previous year. Instead of having to spend $10 billion less, they spend $10 billion *more*. The usurers suck up $20 billion from the price of groceries, so that us peasants instead of benefiting from technology making things cheaper, get to pay *more and more* for the same stuff every year. Almost all of the economic benefits of technological improvement go to the usurers, and then some.

This is one of the biggest crimes in history. A nation whose population's hard work is continually improving their economy's output are actually made to be *worse off* year after year.

It is like being slaves who, through our ingenuity and hard work, make the plantation we work on produce more and more every single year. Our masters, instead of rewarding us, give us worse food and worse shelter every year, so that their own profits can continue to increase. And then they have the audacity to say we are lazy and worthless, that we need to be replaced by immigrants who are desperate enough to work in even worse conditions.

Democracy

Usurers hate dynastic monarchies, because they are unreliable hosts for a usurer infection. A king may change his mind one day and make life very difficult for the usurers for decades on end.

Throughout the past 1000 years, usurers have had strong control over most or all of Europe's monarchies, lending vast sums of money to kings and queens while making it clear to them that they (the usurers) might lend money to their enemies, in this way preventing them from getting too out of line.

The problem for usurers, however, is that controlling monarchies for the benefit of usury requires too much energy, too much intrigue, and is fraught with risks. And the thing usurers hate above all is risk, as usury is all about *making someone else* carry risk so that you yourself can have the profits only.

The solution to this problem faced by usurers is democracy. In a democracy, anyone intelligent enough to understand usurers, and who tries to fight back against them, faces a very steep uphill battle. Usurers own most of the country's media, book publishers and advertising companies. They can easily spend billions of dollars producing vast amounts of articles, documentaries, movies and books intended to convince the people that the true enemy is anyone and anything but the usurers. Highly intelligent people may see through all of this, but can you really expect most people to do so?

In a democracy like ours, it is the usurers who are really in charge. It is they who fund the political campaigns of our politicians (Hillary Clinton's five biggest donors in the 2016 elections were five usurers, Donald Trump's biggest donor was a usurer and casino owner). And it is the usurers' media that politicians need to placate and bow down to, otherwise the media can make life impossible for them by always giving a negative spin to anything they say or do.

We love the idea of democracy. People should be given equal respect and equal representation under the law. The problem, as is seen in the US, is that democracies give a tremendous advantage to usurers, since they are always the richest people in the country, and they can always afford to out-spend everyone else in lobbying, in campaigning, in bending media outlets to their interests, often by buying them outright.

An unprotected democracy is nothing but a usurioucracy. Today, *even if all the corrupt politicians are imprisoned and the banks are shut down*, if usury is not stopped, the usurers will simply fund another group of politicians into office, and create a new bunch of usurer banks. Anything done to fix the political system would be similar to putting a bandage on someone who suffers from a massive parasite infection. As long as that parasite is not addressed, the problem will not be fixed. Occasionally reforms can be done, similar to giving an infected person stimulants, that appear to improve things for a while. But all the while, things will continue breaking down further as the infection spreads.

It is commonly believed and taught that the French Revolution and the Communist Revolution of Russia were both a case of peasants rising up against corrupt kings. What is never mentioned is that both revolutions were financed by wealthy usurers who wanted to install governments more useful to their interests.

Benjamin Disraeli, prime minister of England from 1874 to 1880, in his novel *Coningsby* implies that a group of usurers were responsible for the three French revolutions of 1789, 1830, and 1848.

Jacob Schiff was the head of the New York usurer investment firm Kuhn, Loeb and Company in the 1910's. In the February 3, 1949 issue of the *New York Journal American*, his grandson John was quoted by columnist Cholly Knickerbocker as saying that Schiff had given about $20 million for the triumph of Communism in Russia. Assuming that the $20 million was in 1915 dollars, that is $475 million today.

The American Revolution wasn't much better. Two usurers, Robert Morris and Haym Salomon, were the main financiers behind it. While this revolution is generally talked about as a triumph of good against evil (and perhaps, in this case, it was), it caused much bloodshed that could have been avoided if no revolution had happened (and the American Civil War, the bloodiest war in history up to its time, may have been prevented if the US had continued as a colony of Britain). Canada, Australia and New Zealand, all former British colonies, didn't have revolutions, and all today are independent and prosperous nations.

The American Civil War was also financed by usurers. Salmon Portland Chase (who was made Secretary of Treasury on the lobbying of another usurer, Jay Cooke), whose name still lives on in the name of one of the most powerful banks in the country today, JPMorgan Chase, arranged for the US government to borrow $250 million from Wall Street's usurers to finance the war. This amount increased to $2.5 billion by the end of the war, making Chase, Cooke and other Wall Street usurers vast fortunes.

America's usurer-owned media has the dangerous power of manufacturing an issue out of thin air, and using it to sway and corrupt public opinion.

As an example, out of nowhere, you will see charismatic pundits on CNN and MSNBC talking about whether it is a good idea or not to go to war with Iran or Russia. They can spend hours, days and weeks talking about it. What is dangerous about this is that they manufacture a political issue out of thin air, using it to convince part of the population to think the way they want them to think.

Imagine if all the media outlets suddenly started talking about whether it is a good idea to kill everyone in Canada. They would spend hours, days and weeks talking about all potential harms and benefits of such an action. They start talking about something as if it is *an actual possibility*, that there are equally respectable voices *on both sides of the issue*. You are made to take sides, and as it so often happens, half of the population is convinced to take sides with the usurers and their media.

The scam here is that besides manufacturing an issue out of thin air, they present you with two options, and act as if these two options are the only valid ones. After the 9/11 attacks, Osama bin Laden's face was plastered all over the US media, and the only question that was continually being asked was whether we should bomb Afghanistan or not. The usurer media pretended that these were the only two available options, ignoring all the sensible voices calling for calm, for fair trials, for diplomacy. Afghanistan's government at the time requested that the US government provide evidence for Osama bin Laden's guilt, and requested an international trial. The US response? Burn their country down to the ground and kill over 100,000 people in the process. Meanwhile, the usurers made trillions funding the war.

Our usurer-controlled media has the power to present any war as a matter of utmost urgency and importance, and to pretend that there are no good alternatives; you either support peace and let the bad guys go unpunished, or you support our great nation and military and want to restore our honor by murdering hundreds of thousands of men, women and children.

War is extremely profitable for usurers, as has been mentioned already, and their media manages to convince the nation to get into yet another military conflict every few years. In 2001 we burned down Afghanistan, in 2003 Iraq, in 2011 Syria, in 2014 Libya.

There is nearly no resistance among the people to any of this. The money is borrowed from usurers, so the costs are hidden and passed off to the next generation. And their media acts like we are doing all of these countries a jolly big favor by turning them into ruined, failed states.

The Psychology of Usury

The most dangerous thing about usury might be the usurer mindset.

Your average usurer has a beautiful, clean and minimalistic office with a number of Macs on his desk. It is in a high-rise that overlooks Central Park or the Golden Gate Bridge. He feels at the center of the world. He follows world news on factory openings in China, on new roads being built in India. He thinks about Nigeria's fertility rate, Pakistan's crime rates, the latest DRAM prices out of Taiwan.

The world is one big, connected system, changing every day, providing thousands of interesting numbers that he tracks and thinks about every day.

And his job, all day, every day, is finding ways of extracting money from this system while risking as little as possible, and giving back as little as possible to the system.

The fact that there is a war in Syria largely caused by usurer speculation is of little relevance to him. He takes breaks visiting a nearby downtown Starbucks, enjoying seeing the movement of the cars, the different appearances and voices of the people all around him, the liveliness, the dynamism, the constant movement.

He goes back to his office and places a few bets on the price of this company's stock that he thinks will go up in the next few days, expecting to make a few hundred thousands of dollars in the process.

Life is just numbers. And when you have the money and power, you can extract your little share from all of these numbers. There is a famine in an Indian state? He places bets on companies whose prices would go up or down due to this. Small towns in America are starting to abuse a new cool subscription drug? He buys more of the stock of the company that makes the drug.

He regularly meets with business executives who want to borrow a dozen million or so from him for their businesses. He convinces one executive to take out a loan twice as big as their company needs, hinting that there might be some informal compensation for her in the future. Perhaps he hints that he will hire her as an analyst. He doesn't care that that money will probably go to waste, and that the company will make a net loss on it, and that people may lose jobs due to it. It is all just numbers. And he gets to receive his interest payments at the end of the year.

His entire lifestyle is built around finding ways of extracting money from the system. What happens to the system in the long-term is of zero interest or consequence to him, as long as he can continue to extract money. He meets with other billionaires regularly for lunch and dinner, who together throw each other various hints about their business dealings, arranging to manipulate the market one way or another so that both can make a profit.

During presidential elections, he gives millions to the candidate that seems to be most friendly to usurer interests. It is easy for him to know which one is friendliest, as his usurer friends in the banking sector all constantly exchange gossip about politicians. The fact that a particular candidate promises to improve the lives of the country's peasants means nothing to him. He can't even begin to comprehend the mindset of the peasants. Can't they just eat cake if they can't have bread?

He understands politics well, and knows that the way for usurer interests to be protected is through good-sounding ideals like democracy and freedom. He and his friends support journalists and pundits who are usurer-friendly. They occasionally get together to buy up newspapers and media companies to ensure that no major voice exists in the media that goes against their interests.

He, his family and his friends all live in an alternate reality as different from the average American's as if they lived in another universe. Money is never short. They can afford to buy the most expensive food and eat at the most expensive restaurants. They are brought goods from all around the world at what feels like dirt-cheap prices to them. Nothing that can be had for money is out of reach for them.

The usurers are our new aristocracy. They support women's rights, gay rights, civil rights and better education. They give money to hospitals, museums and charities. They patronize operas and theaters.

They are at the center of Western civilization. They are the height of enlightenment, the superior race meant to rule it over the rest of the world.

They will do everything in their power to open borders, to create alliances like the European Union that turn entire continents into a single, easily manageable states friendly to usurer interests. They call themselves globalists and are proud of it.

They are members of the Academy in Hollywood, of the Pulitzer Prize board. They have good friends who are members of the Nobel Foundation, the Ford Foundation, the Guggenheim Memorial Foundation. They give money to all of these. And all together, they create a clique that considers itself the pinnacle of civilization while looking down on anyone who cares about the rights of the peasants, unless, of course, it is foreign peasants, who are useful to their interests, so every now and then they find a cool new foreigner who wrote this amazing book and give them a few prizes.

These are the Enemy. These cool, beautiful, smiling people who can afford to buy things your entire town together couldn't buy. These cool people who can use words and expressions that are so avant-garde that you don't know a single person in real life who uses them.

And what are we? We are peasants. We are the rabble in the streets who need to be kept in check by our militarized police while our usurer aristocracy looks down from their high balconies.

They claim to support immigrants and foreigners even though their globalism destroys the livelihoods of hundreds of millions of people overseas as their countries are flooded with cheaply produced commodities from usurer-owned corporations.

They claim to value human life and worry about the poor children starving and suffering overseas, even as they beat the drums of war against Russia and Iran, knowing full well that millions of children could starve and die from such wars.

This is our lovely, shiny new aristocracy.

3. Alternatives

Socratic Finance

In Plato's *Republic*, Socrates explains that usurers use their money as stings, injecting their poison into all who do not resist. They burden Athenians with debt and make them suffer foreclosure, creating a poverty-ridden subclass of society. This, in turn, makes the people conspire against the usurers and makes them eager for revolution.

Socrates suggests enacting "a law prohibiting a man from doing as he likes with his own, or in this way, by a second law that does away with such abuses."

"What law?" Glaucon asks.

"The law that is next best … commanding that most voluntary contracts should be at the contractor's risk. The pursuit of wealth would be less shameless in the state and fewer of the evils of which we spoke just now would grow up there," Socrates answers.

Socratic finance is the idea of equally distributing risk between lenders and borrowers. This idea would be terrifying to usurers, since it would put them on equal footing with the rest of society, instead of enabling them to be first-class citizens profiting whether the rest of society profits or loses.

The immense wealth and power of usurers comes from the fact that they do not share in their rightful share of risk, so that they stand to gain most of the time, regardless of the state of the actual economy. Socratic finance is about *syncing the alternate reality of the usurer with the real economy*, so that they are exposed to the same amount of risk as the rest of the economy.

A Socratically financed home would like this: The bank buys the home and rents it to you. Every time you pay rent, a portion of the rent goes toward paying off the house. So far this is very similar to a usual mortgage. The difference is that there is no loan involved. Instead, every time you pay rent, your ownership of the house increases, so that you only pay rent for the part of the house you don't own. So that once you own 50% of the house, you only pay 50% of the rent as before, and the rest of your rent payment goes directly toward paying off the principal.

In the case of foreclosure, instead of the bank taking the house and pretending that you still owe it money, you actually get money back. If you had paid off 50% of the house, and the house forecloses and sells for $100,000, the bank pays you $50,000, regardless of the original price of the house. In a normal mortgage, if the house had been worth $200,000, and sells for $100,000 during foreclosure (as commonly happens), you would owe $100,000 to the bank after losing the house, minus any of the principal you had paid off.

To the average person, the two systems will seem similar from the outside. You make monthly payments until you end up owning the house. But when you understand the difference, you will see that Socratic finance turns an evil mortgage into a humane and fair deal.

Socratic finance destroys the usurer's alternate reality; the lender is made to share in the loss if the house sells for less than it was bought for. And the borrower, instead of ending up with debt in case of a loss, gets some of their money back, the way the lender does, instead of all the proceeds going to the lender and all the damages to the borrower as it happens with normal, usurious mortgages.

Socratic finance is a no-brainer. It is the only fair and just way to practice lending. Usury passes off most of the risks to the borrower while giving the usurer guaranteed profits. Socratic finance equally distributes risks and profits.

I read a recent article about a bank in Chicago that used Socratic finance to finance a slaughterhouse business that wanted to expand. Instead of giving money to the business owners and charging interest as banks normally do with their business loans, they bought the equipment the slaughterhouse needed, and then allowed the slaughterhouse to pay it off on a rent-to-own basis. If the business fails to make payments (for example if the expansion goes badly and they end up having to downsize), the equipment is sold off, and both the bank and business will share in the loss, and both will get some money back.

Socratic finance cannot be used to fund student loans, since there is no rent involved, and there is nothing to sell in case of default. This is a good thing, because the whole student loan system is a fraud, as usurers mortgage a person's future, enslaving them to debt by selling them a degree that could be completely worthless in ten years' time. Whenever Socratic finance doesn't work for something, that is *a clear indicator* that that thing shouldn't exist in the first place. Another important example is credit cards. Socratic finance can be used to finance individual objects (for example, you can get a laptop on a rent-to-own basis). But if no object is involved, if the lender is simply charging rent on lent money, that is not financing, that is usury. Usurers want to sell you a sandwich and charge you rent for it after you've eaten it. There is no Socratic way of making this a fair arrangement. It is an evil, one-sided contract that should be illegal.

Sometimes businesses need loans to finance operations, not to buy particular items. In these cases Socratic finance can be practiced by giving a share of ownership of the company to the lender (with no interest involved). The lender will share in their fair portion of the risk involved in the business. If they want to give money to a business but are not comfortable owning a share in the business because they think it is risky, it means they are usurers who want to practice usury, not business. They want profits without carrying their fair share of the risk burden. They want to be parasites on society, as almost every banker and investor today is.

Bond-Free Governance

One of the main reasons governments are so corrupt and wasteful, and why our government finds it so easy to bomb other nations, is that it doesn't suffer the consequences of its actions. Usurers enable it to do whatever it likes and to pay for it later, to pass off the costs of its actions onto the next administration, often onto the next generation.

Bonds, as has been mentioned, are how the government (including state and local governments) borrows money from usurers to finance its operations, regardless of whether the people approve or disapprove of these operations. Since it is debt, just a bunch of numbers on some account, there is very little resistance toward the government's decisions, even when it does something as repugnant as its destruction of Iraq based on entirely fabricated evidence. And not a single person gets to pay for these actions, except the soldiers who die and the innocent people who get killed. The usurers make trillions in the process, and the politicians involved go on to have successful careers as lobbyists and consultants. Eventually they retire to some secluded paradise and write a memoir.

If bonds didn't exist, the government would have had to fund its wars directly from taxpayers. Would America's 240 million taxpayers in 2003 have accepted to each pay $5000 a year to fund the Iraq war? Wouldn't there have been widespread unrest against it, and wouldn't the president and a lot of congress have lost their seats in the 2004 elections that followed? They would have. But thanks to usurers, nothing of this sort happened. A few people protested. A few fair and just-minded people spoke against it. No one lost their cushy government jobs over it.

Without bonds, governments would be forced to do the bare minimum they have to do for the country to function, which is the dream of small government advocates. Politicians would have to raise taxes before spending money, instead of spending money and then raising taxes to pay off the interest (as opposed to the loan itself).

Without usury, no lobbying group could get more powerful than taxpayers, since taxpayers make up most of the population, and angering them is not something any politician can afford to do. No other lobbying group can get as large and powerful as taxpayers as a whole, so that the government is forced to do what is best for taxpayers first and foremost.

Without bonds, the government would be able to finance individual projects using Socratic finance. For example a bridge can be financed on a rent-to-own (Socratic) basis. If the government runs out of money and cannot continue paying it off, the bridge would be auctioned off in order to be turned into a toll bridge, and the government would get some of its money back, as would the lenders. The buyer of the bridge can then charge a toll for the usage of the bridge.

Socratic finance gives the government the power to *default on individual items and projects* without defaulting on others, so that even if some lenders are angered by a default on some building, road or bridge, the rest of the lenders who are financing other projects would not be touched. But the bond system turns *all of the country's usurers into one single, powerful entity that the government cannot default on* without causing widespread unrest, economic collapse and potential revolution. And this is one of the main reasons usurers love bonds. They enslave the government to their interests and prevent the government from defaulting.

Usury subverts democracy through allowing usurer wealth to grow faster than the wealth of the rest of society, so that they own gigantic hoards of cash that they can use to corrupt, to promote, to fund, to do anything they like to ensure that only politicians they want get into office. They can afford to buy large media companies and turn them into usurer propaganda tools they can use to attack politicians they do not like. It is not a coincidence that not a single voice can be heard in congress that speaks against usury. Almost the whole of congress is funded by wealthy usurers. Every politician is reliant on their support to fund their election campaigns and to ensure the media's support.

Anyone can buy bonds, meaning anyone can be a usurer and fund wars and other evils. But usurers are the most important class of bond-buyers, since their wealth, gained through other forms of usury, enables a single usurer to buy more bonds than thousands of citizens combined. Thus while bonds are passed off as investments for all of society, they are actually mostly a plaything for the usurer class, and it is they who will do everything in their power to convince governments to issue more and more bonds, and who will do everything in their power to prevent any reforms that would reduce or prevent the issuance of bonds.

Responsible Capitalism

The first step toward fixing the economic and political system would be to prohibit usury (including bonds, and including usury's evil twins, for-profit insurance and futures contracts).

What happens when the 1% cannot practice usury anymore? They are left with billions of dollars that they don't know what to do with. Since they want to increase their wealth, they will be forced to do something useful with their money. And they will be forced to bear their fair share of the risk involved with using their money.

If your town's local usurer has $10 million in the bank, and can no longer earn money from it by lending it at interest, he will have to find a new way of making money. He will look around and see that many people in the town have to drive a great distance to their nearest Wal-Mart to buy groceries. So he may invest his money in creating a small local grocery store. Or he may not be smart enough to come up with any good business ideas on his own, so he buys Wal-Mart stock. Wal-Mart, in turn, ends up with billions of profits that it cannot usuriously lend to others. It will either have to reinvest it in its own business, or invest it in other companies, or send it back to stockholders as dividends.

Since most stockholders want their money invested (instead of returned to them), they would want Wal-Mart to do something productive with the money. Wal-Mart is made to either open up new stores, or get into new businesses. It will start experimenting with new, slightly riskier, businesses, hiring thousands of new people in the process, and perhaps creating new industries.

This process would happen throughout the entire economy. New businesses would be constantly popping up around town as local or national investors and corporations try to find new uses for their money. Usurers currently lend trillions of dollars to the government each year to earn interest. Prohibiting usury would remove this massive sinkhole for their money, so that they are made to do something else with it.

Real estate companies would not be able to continue their pump-and-dump business model where they encourage the population to "buy" houses (actually to enslave themselves to mortgages while the company continues to really own the house), only for bubbles to burst, for the house to lose most of its value, for people to lose jobs, and thus default on their mortgages, so that the company gets the house back, and the population gets to carry mortgage debts they cannot pay off even though they've lose their houses. Socratic finance would remove an important incentive for usurers to create bubbles, since when a bubble bursts, they would lose money with the population, instead of gaining money, as they would be co-owners, rather than lenders.

By prohibiting usury, the present student-enslavement university degree scam would be stopped, since there would be no money to be made in it. Universities would be forced to compete with one another by offering the cheapest possible degrees, instead of the current obscene system of competing with one another in offering the most expensive degrees funded by usurious loans.

Today, people think of Bell Labs as a wonder. It was a place that hired researchers to work on various future-oriented projects that often did not offer any immediate profits. And it wasn't a charity, it was owned by a corporation, AT&T. Throughout the 20^{th} century, it produced many of the century's greatest inventions: photovoltaic cells, the transistor (which makes all modern computing possible), the C programming language (which is the underlying language for most of the world's software), and many important discoveries in physics (its researchers earning 6 Nobel prizes in the 20th century). A research center like this is impossible in the present usurer-driven economy. The only reason it existed was because AT&T was so wealthy that it could afford to spend billions funding it, and at the time, usury was not as commonplace, so unlike today, AT&T and many other corporations were always looking for productive uses for their money, even if the possibility of profits were very low or very far in the future.

Prohibiting usury, for-profit insurance and futures contracts would just be the beginning of repairing the economy. The next step is wealth recycling.

Wealth Recycling

A wealth tax is one of those good ideas that never gets any coverage from the usurer media, since, instead of the *middle class* having to pay for it, it will be the *usurer class*. If you ever dare mention a wealth tax in public, Nobel prize-winning usurer economists like Paul Krugman and fifty others like him would be happy to beat you into silence with their PhD dissertations. Certain forms of wealth tax can be extremely unfair and unbalanced, I will talk about a form that never gets talked about, inspired by the Islamic zakat system.

The average person in the United States and Europe, no matter how hard they work, cannot accumulate more than a few million dollars by the time they retire. When an old person has a million dollars in retirement savings, we know that they worked hard for decades, and we do not begrudge them this wealth. But when we hear that someone has fifty million dollars in the bank, we know immediately that a strong element of luck was involved in their having so much money. Maybe they inherited it, or they were in the right place at the right time. They may have also worked really hard. But we know that hard work can never, without luck, give someone more than a few million dollars.

The wealth tax would be a small tax (I will use the rate of 2.5% used by the zakat system) that only applies to *uninvested* and *speculatively invested* wealth of rich people. I will here speak of uninvested wealth, later I will deal with speculatively invested wealth.

I am well aware that a ban on usury and a wealth and speculation tax will sound highly utopian. The good news is that all of the concepts I mention can be implemented voluntarily by membership organization without any reference to the government as I will explain later.

The wealth tax would only apply to wealthy people who already have everything they need in life, and also have enough wealth to last their families a number of years without any additional income. In the US, a net worth of $1 million may be needed for someone to be included in this category.

The wealth tax would apply to any additional wealth they have *beyond* this $1 million. For example if someone has a net worth of $7 million, and $6 million of this is sitting in the bank doing nothing, the wealth tax would apply to this $6 million. The basic $1 million that we have decided is necessary for them and their families will not be touched.

The wealthy, when facing the prospect of being charged this tax, would immediately think of ways of avoiding it. And the only way to avoid it is to do something useful with their wealth instead of hoarding it. It is to invest their wealth, for example by buying stocks, or buying houses and renting them out, as the wealth tax would only apply to *uninvested* wealth.

If the wealth is invested in a company or in real estate that is rented, such wealth wouldn't be taxed, only the profits of the wealth would be taxed. If a wealthy person rents out an office building at $1 million a year, a 2.5% wealth tax would be charged on this rent, equaling $25,000 a year.

The same would apply to any houses or farmland they rent out. The office building may itself be worth $20 million, but only the profits from its use are taxed (rent earnings minus management costs).

If a wealthy person invests their wealth in Wal-Mart stock, the 2.5% tax would be applied at the corporation level, to Wal-Mart's uninvested cash hoard, and to the profits it makes every year, meaning that corporations would be treated the same way as individuals, having their uninvested and speculatively invested wealth and their profits taxed at 2.5% a year.

When faced with having its cash reduced, Wal-Mart would have a strong incentive to invest its cash. It cannot practice usury (since we are assuming usury is banned), so it will either have to do something actually useful and positive with its money, or face losing 2.5% of it every year so that the rest of society can do something useful and positive with it. To avoid the tax, Wal-Mart would spend its cash by expanding and improving its infrastructure, or expanding into new markets, or doing future-oriented research, or investing in start-up companies with new and interesting ideas. All of these would be a win-win for both Wal-Mart and society. Wal-Mart gets to focus on its long-term wellbeing and growth, society benefits through improved services, more jobs, cheaper prices and new technologies.

Once such a system is in place, automation wouldn't be a threat to anyone. Even if Wal-Mart fires its *entire workforce*, it would increase its cash hoard and profits, from which 2.5% is taken and given to society (say as a cash transfer to everyone below a certain income level). Automation would be a win-win for everyone, reducing the need to work (which is the whole purpose of automation) instead of putting people out of work and forcing them to take worse jobs.

The proceeds of the wealth tax shouldn't go through any type of bureaucracy. It should go *directly* to society as a monthly or annual cash payment to the needy. If we put together the nation's uninvested wealth, rent income, corporate cash holdings and corporate profits, we may reach a sum of $50 trillion in taxable wealth (assuming usury is prohibited, so that there are no wealth-sinks like bonds). A $1.25

trillion tax would be taken from this $50 trillion every year. That would mean a payment of $7500 a year to each person who belongs to the bottom half of society. A poor family of 4 would receive $30,000 a year, enough for the family to live on without anyone having to work some horrible minimum wage job. The family will spend this money on things it needs, in this way turning them into customers for the businesses around town, increasing business profits and job openings (since there are more people to serve).

These annual payments would enable millions of Americans to start businesses who currently cannot do so because of poverty. It would also enable millions to get an education, or get a needed surgery, or to pay off debt, or to focus on research they are interested in, or to write books or produce arts. The nation as a whole would become a patron of all the talents that its members possess.

This system would quickly enlarge the middle class as more and more people would be able to escape poverty through increased business income and better jobs. There would be a boom of new businesses constantly popping up, of companies hiring, of long-term projects, of science, of people writing and creating art. There is no better word to describe it than a new *renaissance*.

We can expect the wealthy to do their best to avoid the wealth tax, and that would be a good thing, because the result is more jobs and higher wages on the one hand, and cheaper prices and rents on the other hand. The wealthy would be strongly encouraged to build homes (since rented homes are not taxed), so that nearly every town in the country would see a construction boom. And as the supply of housing increases, rents go down.

And since there is no inflation (since money-printing and factional reserve banking are prohibited), the prices of everything would go down year after year, and the poor, receiving the wealth tax and living in a booming economy, would have more power to buy everything they want.

Even if they receive less wealth tax due to the wealthy avoiding it through investment, that investment would bring prices down on the one hand, and increase wages and job opportunities on the other hand, so that they still end up better off.

Through this 2.5% wealth tax, all other welfare programs can be shut down (including the education system, Medicaid, Medicare, Social Security and pensions). People would be able to afford food, health care and education from privately run businesses that are proven to be more cost-effective than government-run programs. While the tax goes to the bottom 50%, more can be given to those who are at extreme need, such as pension-dependent seniors.

Wealth recycling would improve our democracy by enabling people to move to cities and states that have better laws than the ones they live in. States and cities wouldn't be able to hold their populations hostage as they do now. A highly corrupt and mismanaged city government like that of Detroit would quickly lose most of its population. And this is a good thing, because it means bad systems can die and good systems can grow.

In our present political system, most of the poor of each state are stuck where they are, and the wealthy and corrupt people who run their local governments can pass any law they like and the people would have to accept it. Most of the poor are not educated and organized enough to effectively oppose bad laws. For many poor people, local government elections are something that happen to other people. They only feel the effects once the laws are passed. And when things get bad enough, they can rarely organize to change things. The best they can do is leave, and that option is not available to most of them.

This wealth tax shouldn't go toward funding the government, federal or local. Government should be funded through ordinary taxes. The wealth tax should immediately go from the wealthy to the rest of society, all of whom, together, would be able to pay taxes to support government services.

If all government operations are funded through taxes paid by the entire population (instead of government operations being funded by usurers through bonds like today), government waste would be greatly reduced as taxpayers would easily see the effects of government mismanagement on their tax bills and would kick out any politician who plunges the country into stupid and useless wars or anything else wasteful.

The wealth tax shouldn't go to a small percentage of society, such as the bottom 10% or 20%. It should go to as many people as possible, as this would enable more entrepreneurship. There are many in the bottom 50% who, while they are not very poor, are forced to do jobs they do not like, and who, with just a little help, could go on to be financially independent and to work on new and interesting ideas they have. The bottom 50% of society, or at least everyone below the middle class, seems to make the most sense.

When trying to implement a system like this, the usurers would be likely to do everything in their power to stop it, and if that fails, to corrupt everything about it so that they get to make a profit at the end of the day.

Usury is all about making others poor to enrich oneself. Turning the tables on the usurers is going to anger them like nothing else can, and they will not stop at using their media to launch an all-out propaganda war against a wealth tax. They could probably fund riots and even a revolution if they can, to re-install a usurer-friendly government, the way they have done throughout history. And they will do all of this in the name of freedom, democracy, diversity and helping the poor.

The Speculation Tax

Besides instating a wealth tax, a speculation tax is also needed, as usurers can use speculation as a way of escaping paying a wealth tax, and as a way of making profits by gambling with the economy.

Many wealthy people gamble by buying stocks now with the expectation of selling them a month or year later. This is known as speculation. Speculation has no positive value for society. People gamble against each other so that they may win and others may lose.

Instead of adding anything to the economy, speculation makes the economy unstable by creating boom and bust cycles. And the super-wealthy, the first-class usurers, have the most to win, while the average investor has the most to lose, because the first-class usurers, due to their immense wealth, can direct the market one way or another to increase their odds of winning. They can buy stocks at a cheap price, have their media promote that particular stock so that the average investor is persuaded to buy it, and once it becomes overpriced, they can sell it. They do the same thing in the real-estate market, the commodities market, the foreign exchange market and the bitcoin market, buying things cheap, hyping them up until prices increase, then selling them off quickly.

A speculation tax on stocks would be applied this way: if someone buys a particular productive asset (a house or stocks), and holds it for less than 12 years, that will be considered speculation, and they will be charged an annualized 2.5% tax on each year they held the house or stock. As for holding things like commodities and currencies, these will be charged the already-mentioned wealth tax.

Today trillions of dollars' worth of stocks are traded each and every day by people expecting to make a profit. This tax would put a stop to the casino that the stock market has become. If a company buys a billion dollars' worth of stocks this year, then sells them next year, that will be considered a speculative investment, and a 2.5% tax will be charged on the money they invested. The only way to escape the tax would be to buy stocks and hold them for more than 12 years. In such a case, the investor would only pay the wealth tax on the profits they make from the stock (the dividends earned).

The speculation tax prevents the wealthy from using speculation to evade the wealth tax by pretending they are "investing" the money in the economy. They are not investing, they are speculating. Only true investment, productive investment, will go untaxed, and that means holding a stock or a house for at least 12 years, which proves the person is not trying to speculate, that they are only wanting to invest their money in the economy to earn a profit, in which case they would only pay the wealth tax on profits.

If a billionaire buys a thousand houses and rents them out for five years, then sells them, that would be considered speculation, and they would be charged a wealth tax on both the rent they earned, and the price of the homes.

By charging this speculation tax, the incentive to "flip" houses and stocks is diminished, making the prices of stocks and houses reflect their true supply-and-demand prices, rather than speculative prices set by gambling usurers. The wealthy could still speculate, but the citizenry would treat it for what it is: a way of trying to increase wealth by hoarding it, rather than by investing it in the economy, and so this unproductive hoarding is charged a 2.5% tax.

If someone buys a house for $100,000, and five years later sells it for $150,000, they would have to pay a 2.5% speculation tax for every year they held the house.

The government cannot know beforehand whether someone intends to speculate or not. For this reason the tax is calculated at the time of sale, so that if the speculator sells the house for $150,000 after five years, if at the end of the first year the value of the house was $115,000, the tax is $2875 for that year. For the ends of the years two, three and four, the tax would be $3000, $3250, $3750 as the house's price rises, meaning the investor would end up paying a total of about $12,875 in speculation tax. They still make a profit, but less than they would otherwise, which would discourage speculation. And the $12,875 would go toward supporting the economy by giving it to the needy to spend.

This speculation tax should be treated the same as the wealth tax. It should go directly to the bottom 50% without any government bureaucracy, otherwise its purpose will be corrupted and the government will use it for its own wasteful purposes.

A Fair Insurance System

The solution to the current insurance system is cooperative insurance, where profits are returned to members, rather than being sent to the 1%. This is easier said than done, because the insurance cooperatives I know of all practice usury, as they invest their profits in bonds, mortgages and stocks. While they protect you from the usurious evils of insurance, they engage in actual usury.

What we need are insurance cooperatives that hold their surplus cash in gold or silver or other non-usurious commodities, or who invest their cash in non-usurious investments through Socratic finance and productive investment. There is little point in defeating the big insurance companies through cooperatives that themselves engage in usury. You are bringing down one evil and raising another evil in its place.

McSocialism

Socialism is often presented as a humane alternative to both capitalism and communism. While it has certain good aims, such as free nationwide health care, or free education, depending on the way it is implemented, it can also be nearly as bad as communism.

The problem with socialism is that the usurers are still in charge, and they will ensure that their own wealth and power are protected, and that it is the middle class that will pay most of the costs of helping the lower classes. They will do everything in their power to corrupt the system so that good-sounding projects are done that benefit the poor, and make themselves massive profits, while extracting money from the middle class.

The Affordable Care Act (also known as “Obamacare”) is a good example of usurer-infested socialism. It provided free health care to millions of poor families, and made health insurance unaffordable for a large number of middle class families. The usurer class, of course, couldn't care less whether your monthly insurance payment is $500 or $5000. What is relevant to them is the prices of private jets.

While insurance companies have complained about Obamacare, and some small players have had to close shop, the biggest players have seen their profits skyrocket. In February 2017, a study by the University of California San Diego School of Medicine found that, thanks to a loophole in the Medicare Advantage scheme used by insurance companies, these companies would end up earning $200 billion in excess of their normal profits over the next 9 years, all paid by taxpayers, of course.

In a socialist system, it is the usurers and their lobbyists writing our laws, and whatever charitable scheme the government can come up with, they will be sure to insert their greedy tentacles into it and corrupt it so that they themselves may profit at the middle class's expense.

Insurance premiums paid by the middle class under Obamacare have increased by an average of 25% a year. Due to making insurance unaffordable to the middle class, in 2017 400,000 people decided to drop out and to entirely lose their insurance coverage.

Usurers and their lobbyists are always cleverer than the average person, so that socialism will nearly always take from the middle class to benefit the poor and themselves. In this way life is made more difficult for the average American, while the poor and the 1% benefit.

Usurers lobby for "free" university education. That sounds good, doesn't it? What they actually want is for everyone to get college degrees on loans provided by the usurers, with taxpayers footing the bill. This would greatly enlarge their already obscenely high profits from the university-usurer alliance. Usurers are always happy to make the middle class pay for good things that make themselves richer and provide a benefit to the poor to justify their profit-making schemes.

While many socialist ideas are good ideas, they, like communism, contain the naive assumption that people will be nice enough to implement these ideas properly. They will not. As long as there are usurers in the system, they will do everything in their power to turn every socialist idea into yet another moneymaking scheme for themselves. Since a usurer's life goal is to profit by passing the costs of his operations to the rest of society, this is business as usual for them. And typically, a good fact about the system is used to justify the whole of it, in this case the fact that the poor benefit is used to justify the destruction of the middle class's prosperity to benefit the 1%.

Another example of dysfunctional socialism is the minimum wage, which some socialists talk about as some sort of godsend to the poor. In reality, as long as usury goes unchecked and there is no wealth recycling, a minimum wage would only encourage corporations to adopt automation even faster while bankrupting small businesses.

A minimum wage would reduce the number of people who can find employment by making businesses downsize their workforces, so that the fitness of the working class as a whole is reduced. With the purchasing power of the average American reduced (through reduced employment), local businesses that do not have access to automation technology would find fewer customers, while having to pay their workers higher wages, so that they cannot function anymore and go bankrupt. Large corporations would continue just as well as before, since they have access to the best machinery and the best automation technologies that are to be had. They can afford to fire half of their workers and replace them with machines, as McDonald's is doing.

A minimum wage is a typical good-sounding socialist idea that ignores the realities of human nature and economics. Coercing businesses to pay their workers more without addressing the root issue (usury and wealth hoarding) would only force businesses to either go out of business or adopt automation and hire fewer workers.

Forcing a minimum wage on businesses that treat their workers like cattle would not make these businesses treat them better. They would do everything in their power to get rid of their workers through automation and through making as few workers as possible do as much work as possible to reduce costs. The number of jobs would go down, and the working class's purchasing power as a whole is diminished, so that the local economy stagnates or enters recession.

Another example of dysfunctional socialism is worker's unions. They can offer a valuable service in a broken, usurer-controlled system like ours. But many unions are a futile attempt at getting a tiny bit back from the usurers, who will throw tantrums and do everything they can not to.

When unions do manage to improve things, as they have done in a number of industries, often a strong element of luck is needed. And in these cases the unions can harm the economy by raising the wages of their workers beyond their fair price, so that a small group of workers benefit, but the welfare of the working class as a whole is entirely unaffected.

The way to improve the conditions of a McDonald's worker is not through unions, but through making it *unnecessary* for people to work there. How much would you want to be paid to work at such a tiring and degrading job? If you are truly desperate for a job, as many workers are, then you'd take whatever they can give you. And that is exactly what our kindly usurers want. We are peasants who should be desperate for the jobs they offer us.

But if usury is prohibited and there is a wealth tax and speculation tax, your family may already receive $30,000 or more a year, just as the prices of things continue to decline, the amount of housing rises, and job opportunities start to pop up everywhere. In such an economy the desperation to work is removed. Instead of having to be content with $10 an hour working for McDonald's, you'd now demand more, without any need for slogans and protests. McDonald's would be forced to raise wages and improve working conditions because it wouldn't be able to afford anything else. And if McDonald's decides to automate everything, its profits would increase, a portion of which goes to the wealth tax, which is then returned to the working class. In this way automation *actually* reduces the need to work as it should, instead of making the rich richer and the poor poorer.

Localized Basic Income

For many reasons, we cannot expect America's super rich to go along with a system that bans usury and enforces a wealth and speculation tax. However, the system can be implemented without reference to them: membership organizations can be created that require members to pay the wealth and speculation tax while avoiding (paying the wealth and speculation tax while engaging in usury is tantamount to charging 5% interest on society while giving back 2.5%, it is nonsense).

The system described here will require a great deal of determination from its members. Later on I will describe a *decentralized* example that will be less effective but will require less effort and involvement.

The goal will be to ensure that each member has a basic income of let's say at least $1500 per month. Those whose income is below this will be given sufficient to raise their income to this level.

Such an organization will, of course, at first have very little money to give away to needy members, since most of those who would be interested in joining would be needy. It would be difficult to get the rich on board, even those who wish to do charity, since they would need to see that the system actually works. However, thanks to the system's feedback-loop effects, the effects of the system will be compounded and magnified over time.

To create feedback loops, the organization will need to ensure that money remains circulating within its own local system as much as possible. And that means paying the basic income stipends in a local currency only used by members of the organization. This will ensure that when the basic income is paid to the needy, they will use the money at businesses that are owned by members of the organization, who will pay a wealth and speculation tax on their profits on the one hand while avoiding.

In this way, the system diverts wealth into the hands of members of the system, helping increase their wealth. Rich members will not want to let their wealth remain dormant, they will want to invest it. And since they cannot invest it in usurious investments, they will have the following options:

1. Invest their wealth productively by expanding the businesses they own (and in turn hiring people and buying materials). Invested wealth (as in machinery) is not charged tax.
2. Invest their wealth speculatively, such as by buying houses for resale. They will have to pay 2.5% annual tax on the resale value of such investments.
3. Invest in non-usurious company stocks (stocks of finance corporations or any corporations that earns significant usurious income would not be allowed) and pay tax on dividends received. If they buy with the intent of selling (if they speculate), they will have to pay annual tax on both dividends and stock values. Ideally the rich would not invest in this way because it causes capital to escape the system, but if the organization forbids this, it may significantly detract people from joining.

The organization will have to allow businesses to exchange the new currency for dollars since they will not be able to get all or most of the good and services they need in the new currency.

The system, by diverting money locally (through encouraging the needy to spend locally) will encourage rich members to create local businesses. Imagine a rich member who starts a local bakery that accepts LBI (short for localized basic income) stipends. It will get guaranteed business from system members and create local jobs (perhaps hiring system members). The profits will be used to expand the business, helping the local economy by buying services and materials and hiring people, or they will be invested in non-system corporations and bring in dividends that will be charged the LBI taxes.

By causing wealth to 1. stick around locally and 2. spill over into the hands of the needy, a self-sustaining cycle will be created that will cause the local economy to boom. Business is diverted to local businesses rather than multi-national corporations, and these businesses will pay the LBI tax and/or invest locally while avoiding parasitic wealth increase through usury. The system should require businesses to purchase all materials and services from other system members whenever this is possible.

If you were to create an organization that tries to implement this system today, it would have no cash to begin with, so that no one will get any income at first. However, every member who joins will have their LBI tax calculated for them at the time of joining for the past year to see if they should pay anything, and in this way some money may come in, which is then passed on to needy members in the form of monthly stipends in the LBI currency, which can only be spent to buy things from other members. The organization holds the dollars it receives and issues the LBI currency in its stead. Businesses will then be able to come to the organization to exchange the LBI currency for dollars.

At first this system will be like a highly involved trading game. But with every member who joins, the system becomes more effective; each new member will either be able to pay into the system or offer to sell goods and services to members using the LBI currency.

As members receive LBI stipends, they will naturally want to spend this currency. But they can only spend it by buying goods and services from fellow members of the system. This means that this money is funneled through the system into the hands of other system members, *whose income increases, and with it, their likelihood of paying the LBI tax*, and their likelihood of hiring LBI system members to expand their businesses.

While at first the whole thing will feel like a game, as the LBI currency is continually recycled through the system, the wealth of the system will grow and with it the stipends received by members will also grow. Members will have more business opportunities by offering goods and services to other system members and accepting the LBI currency from them.

A few members will invariably end up greatly benefiting from the system, perhaps a grocery store owner who ends up serving the community. Any profits they make will either have to be used in improving the business and expanding it or investing it in another productive and beneficial ways (they will not be allowed to engage in usury and remain members). And since will pay the LBI tax, that will bring money back into the system, resulting in more stipends to the needy, who get to spend more at his store.

The effects would be rather small at first, but I hope that you can see how this system can slowly but surely heal local economies by encouraging members to mostly do business with non-usurers, socially responsible capitalists who give back to society. This makes all the difference in the world.

Raising the minimum wage increases automation and decreases jobs, as has been recently shown. The LBI system makes automation a win-win for everyone. Imagine a rich system member who owns a bakery and who automates everything so that he fires his entire workforce of 10. If he saves $500,000 in this way every year, that is $500,000 more in profits. $12,500 of this profit will be directly placed into the basic income system. The rest will be invested for society's benefit: either it will be used to start new businesses, to expand the business, to speculate, or to buy stocks and earn dividends, and all of these means will end up bringing back money into the system either through expanding the economy or through LBI payments (which also expand the economy, since locals will have more to spend).

In this way, the system is capable of taking care of society even if most of the economy is automated: it turns automation into a social investment.

Such a system cannot work without serious enforcement, which will have to be in the form of annual audits of every person and business to ensure that no one is engaging in usury and that everyone who should be paying LBI is paying it.

Decentralized Basic Income

A weaker version of this system can be created, which I will call decentralized basic income (DBI for short), if the previous system is found to be unrealistically difficult to operate. This decentralized system will be in the form of businesses acquiring a DBI certification that means they will not engage in usury and will pay a DBI tax into a national or local fund that pays stipends to the needy. Products created by such businesses will have a DBI badge, and businesses that pay a DBI tax can hang such a badge in their stores.

A national, decentralized movement can be created that encourages people to buy from such businesses as much as possible.

However, it should be noted that for this to have any significant effect the businesses' *owners* should promise to pay DBI tax and avoid usury. The DBI tax will have to be calculated both for the business and its owners, otherwise there are numerous ways for businesses to avoid paying the tax while pretending to be ethical, so that the business itself avoids usury and pays a paltry sum into the DBI fund while its owners hoard wealth and engage in usury themselves. Without auditing the owners, the system will have almost no benefits.

The Muslim Effect

As already mentioned, the system I described is inspired by the Islamic economic system. In fact, devout Muslims are already implementing this system in their lives by the mere virtue of being Muslims, although they are doing in a highly ineffective way generally. Muslims avoid usury and pay *zakat*, which is the wealth and speculation tax already mentioned.

Islam encourages people to pay charity to their close relatives then to their neighbors. While in New York you have billionaires living and working a few blocks away from homeless people, such a situation would be impossible in the Islamic system because Islam's ban on usury and its zakat tax forces wealth to spillover.

If the Islamic system is applied the way it should be, a rich Muslim would slowly rescue everyone around him out of poverty; he would pay zakat to his poor relatives, neighbors and employees. And the wealthier he gets, the more wealth *spills over* from his bank account into the bank accounts of those around him.

This is in direct contrast to Wall Street's *trickle up* economics, where usury ensures that wealth constantly concentrates in the hands of the usurers.

Besides paying zakat, the wealthy Muslim would avoid usury and invest his wealth in productive things. While Wall Street is destroying thousands of jobs per day through automation, this Muslim man, if he entirely automates a factory he owns, he will in this way end up making higher profits *and paying more zakat*, in this way his automated factory is an asset for the whole neighborhood and not for himself alone. Whenever his wealth increases, either he will have to give up 2.5% of it annually through zakat, or he will have to do something productive with it. And productive things outside of usury always require *buying good and services* from others: he will either expand his business, in this way buying good and services and stimulating the economy, or he will hire more people, or he will start a new business. Whatever he does with his money, it ends up benefiting society.

Contrast that with the Chase and Goldman Sachs' model of capitalism, in which a group of filthy rich parasites constantly come up with new ways of extracting money from the rest of society, sure in the knowledge that they politicians they own will never come after them too seriously. Income inequality is skyrocketing because of usury, because usury's profits increase faster than ordinary business profits, which means that wealth always slowly but surely trickles up into the hands of the usurers. The Islamic system prevents wealth inequality from growing to obscene levels by forcing the rich to either directly give their money to the poor through zakat, or to invest it productively (and thus stimulate the economy).

Due to a lack of systematization, the benefits of the zakat system re not realized in most places. Many Muslims have the mistaken belief that zakat should be used for spectacular projects like building mosques, even though Islam's first caliph, Abu Bakr, used zakat to create a basic income system that paid stipends to the needy.

Muslims should be at the forefront of creating basic income systems, since paying zakat is their religious duty. Building such systems requires no new sacrifices, it will merely help systematize their efforts in order to eradicate poverty better. The Muslims of the United States could all together create a single American basic income system that anyone, Muslim and non-Muslim, can subscribe to (provided they submit to an annual audit and promise to avoid usury and pay zakat themselves if they ever get rich enough to qualify to pay). A nationwide organization could be created that funnels this money back into local economies. They could even create a zakat currency that is only used at zakat-paying businesses. This would cut the usurers out of the system and heal local economies by increasing the profits of *those who give back to society*. Businesses will be able to subscribe to the system in order to get certified and in this way get zakat money sent in their direction as zakat-receivers seek out ways of spending their money. The businesses can then exchange the currency back to dollars at the organization.

The present state of US democracy, and the grip that usurers have over the Western economy, both show that the average citizen is completely incapable of making decisions with regards to usury; they are too ignorant to see its harms, and they are too lazy to do anything about it. For this reason there is a need for the intelligentsia to come in to fill the knowledge and initiative gap. Merely giving the poor money will not make any significant lasting change. They will simply go to one of the many multinational corporations to spend it and in this way continue enriching the usurers who own these corporations.

A currency, membership card, special debit card or coupon *must* be created that ensures zakat money largely goes to zakat-paying businesses. In this way a virtuous and self-strengthening cycle is created where wholesome businesses that give back to society grow and give back even more while usurer-owned businesses, which is nearly all of the national ones, that have zero sense of social responsibility, are cut out of the system.

Imagine a small town in which we have 100 people who receive $200 in zakat through this system. There is one struggling mom and pop grocery store (and a dozen multinational ones) in the town that joins the system. These 100 zakat-receivers will now have $20,000 at their disposal every month to spend at this grocery store, greatly increasing its sales, and perhaps turning it into a flourishing and highly profitable business. The couple will expand their business, and perhaps hire new staff, in order to meet the new demand. And at the end of the year, they may end up with $50,000 in the bank that they have no use for. Since they are members of the basic income system, they will either have to productively use this wealth or give 2.5% of it, or $1250, back to the system every year, which increases the zakat stipends received by members, which increases the amount of money they can spend at the store and in this way increase the store's profits.

If the mom and pop are clever entrepreneurs, they will realize that can come up with new ways of capturing the zakat wealth given to the members; they could ask their zakat shoppers what other goods or services they wish they could buy with their zakat currency, and based on that demand, expand their operations to also provide those goods and services.

And if the couple who own the store have no good ideas for expanding their business, after a few years they may have saved $300,000 that they can use to buy a house and rent it out, and they will pay 2.5% of the rents back into the basic income system, which will amount to $750 a year if they rent out the house at $2500 per month. That is not much, but imagine if the couple continues to get richer, until they own ten houses. That would mean $7500 paid into the basic income system every year.

The system turns every zakat dollar spent into an investment. Business owners get richer and end up paying more into the system. Even if they use their wealth to buy stocks in corporations, they will still have to pay their profits back into the system, helping *make their wealth an investment for all of society*. If they spend $1 million dollars in a corporation like Apple and get a 2% annual profit, they would make $20,000 in profits and pay $500 of it into the basic income system. It is not much, but the point is that the basic income system as a whole becomes one big investor in the economy: every rich member's wealth becomes wealth that is invested for everyone's benefit. The poor receive part of it as direct payments. The middle class benefits by having more opportunities for entrepreneurship as the system grows. Doctors, building contractors, web developers and teachers will have a new customer base that will prefer them over the normal, usury-ridden economy.

The goal of the system is not to merely rescue people out of abject poverty as it is usually thought. *The ultimate goal of the system would be for no one to have to work*. As automation progresses, the super-rich will continue to own more and more capital while needing less and less labor. A factory that today employs 500 people will almost certainly be employing 400 people in five years unless the factory expands to meet new demand. Corporations are firing people by the tens of thousands as they are replaced by robots. A few decades back the talk of automation and artificial intelligence was largely fantasy. But since 2010 things have completely changed: today we have artificial intelligence that can look at a picture and give a very detailed description of it without being told anything about it beforehand. This is a new level of intelligence that many people are unaware it has been invented, and it has the power to take over the majority of jobs in the economy as it improves.

The zakat system makes automation a win-win for everyone: the rich reduce costs and increase profits, so that they end up with more wealth, part of which goes back into the basic income system and raises every receiving member's earnings. A zakat-paying business that saves $50,000 by laying off a worker is in fact acquiring $50,000 to invest for society's benefit. It will either use it to expand and improve, or keep it in the bank and pay 2.5% of it to society *as if society has invested $50,000 in a savings account*, or use it to buy stocks or houses and again benefit society through their income.

As automation progresses, the basic income system's earnings increase, which is then given back to those who need it. It is said that during the time of Umar II, one of those rare occasions on which the zakat system was properly implemented, the system was earning so much that it couldn't find people to give money to.

The goal of the system should be to have every member live a respectable, middle class existence with only one person in the family working (as was the case in the 1950's in the United States). Every member who makes less than $2500 a month will have the difference made up for them by the system. If they make $2000, $500 will be given to them to turn it into $2500. In this way a basic level of respectable existence is defined *that every member enjoys*. As automation progresses and makes it more difficult to find jobs, the system's wealth also increases, so that more and more people can stop working, or find part-time work, or get involved with risky and initially unprofitable work (such as working on a technology startup or other small business), having a safety net that always has their back.

The end result would be a *post-work* society. Everyone will be a member of a guaranteed middle class whether they work or not. Work will become a choice rather than something forced upon them. They will be like the gentleman class of 19th century England (think Mr. Bennet's family in Jane Austen's *Pride and Prejudice*) or like the citizens of certain oil-rich nations who have everything they need and only work if they want to, where they want to, and often at their own companies and foundations.

Zakat turns automation into social infrastructure, something that carries all of society, providing it with food and shelter and leaving people free to work on what they find important. We all know that *ideally*, in a truly wealthy and developed society, everyone should have food, shelter and other basic necessities guaranteed to them by society. Ideally, we would be a new gentleman class served by the robots. Zakat makes that possible, and in fact it might the only economic system in the world that is fully prepared for large-scale automation and is capable of turning automation into a positive that everyone can love and look forward to, rather than a nightmarish destroyer of the people's lives as it continually takes away more jobs.

Some people say that automation is not a threat because people will simply find "other things" to work on. But this is fantasy. People earn wages through providing goods and services that others need. But the increase in automation means that they will have to *compete* with the robots to eke out an existence. Either they will be forced to accept work in slavery-like conditions as in Amazon's warehouses, or they will be forced to accept part-time work or work on a contract basis.

This is what we see all around us today. Either you are lucky enough to have a full-time job at an industry that is not hit too hard by automation, or you have already received the memo that your services are no longer needed by the economy. Rather than reducing the need for work, people are more desperate for work than ever, and accept the most horrible working conditions. Businesses proudly demand advanced degrees and years of experience for "entry level" jobs, because they know the population's desperation for work.

The automated utopia that we are told about is in reality a dystopia in which the usurers, who own the corporations and the robots, live in their own secluded versions of paradise while the population is treated like worthless cattle.

Automation in the world of usury is little more than another way for the usurers to extend their reach and power over the population. They tell us otherwise, and their economists tell us otherwise, and point to the scraps we are thrown here and there (fast Amazon deliveries, cheap smartphones) to remind us that we should be thankful to be living in this age. What they do not tell us is that we could all be living prosperous middle class lives *today* when in reality we are treated with the utmost contempt by our ruling class. If you are poor, you need to "find work" by working for some rich pig of a human who spends millions of dollars on things he does not need while paying his workers the utmost minimum he can get away with. Companies like Apple, Google and Amazon collude to keep the wages of their workers low while being some of the richest corporations in history.

In the Goldman Sachs, Google and Amazon version of the automated future we are nothing but worthless commodities ruled by an ultra-wealthy elite who do not see us as humans. That is the future they have in store for us if we do not start working on an alternative system that will kill off these parasites and replace them with something humane. And, as mentioned, the majority of the population, in their ignorance and shortsightedness, will be only too happy to let the elite get away with everything they are doing. It is the job of the intellectuals to create alternatives to the present system, to fight back against the usurers, to expose their true faces to the rest of the population and offer them ways of escaping their dependence on the usurer-owned system.

What I have described in this book is what appears to be the reality of our situation at this time and the best ways to deal with it and move forward. My knowledge is not perfect. The solutions offered should be tested in real life scenarios to see whether they work and whether they need modification. While I believe that the population needs to be led by some degree by those capable of thinking of the long-term fate of their societies and civilizations (and such people are always a minority unfortunately), I do not support authoritarians who think they have the solution to everything. The zakat system described should be implemented by a highly democratic and cooperative organization that has no desire for power or authority over others. All large organizations, especially those dealing with large amounts of money, attract highly corrupt power-seeking personalities who are only in it to enrich themselves and their buddies. We should be cautious of such people and should work to make the system as reflective of the needs of local populations as possible. While having one national organization might help pool resources and simplify logistics, it could also make it easier to corrupt the system.

The End